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April 9, 1990

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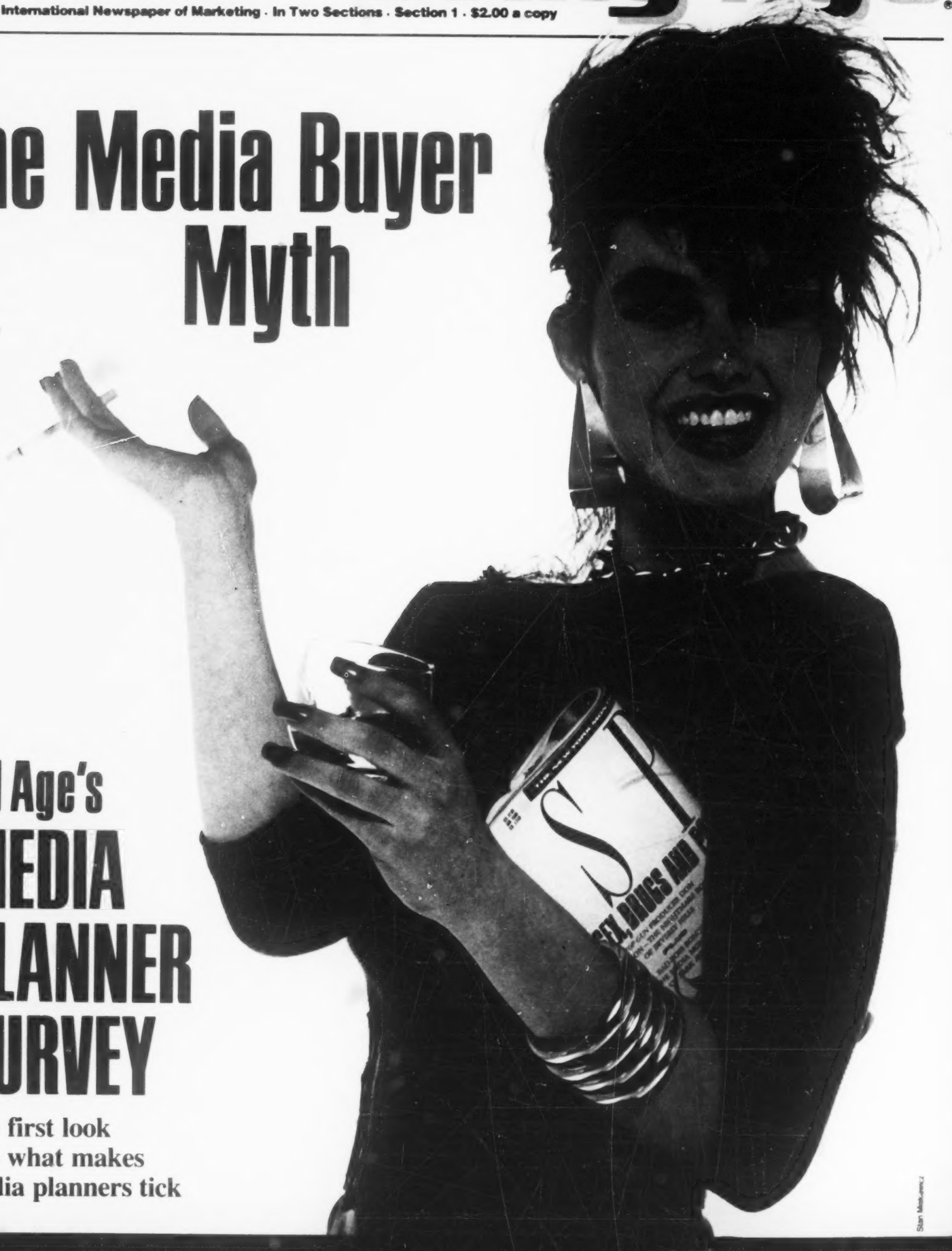
The Media Buyer Myth



Ad Age's MEDIA PLANNER SURVEY

The first look into what makes media planners tick

Alcohol warnings favored

David E. Hiltz

U.S. Rep. Joe Kennedy (at podium) and Sen. Al Gore are sponsoring a bill that would require all alcohol product advertising to include one of five health warnings.

Consumers support bill: Poll

By Joseph M. Winski

Marketers of alcoholic beverages may not like it, but health warnings on ads for their products are an acceptable idea to consumers.

In a special *Advertising Age*-Gallup Organization poll, nearly three-quarters—73.5%—of the people questioned said they favor warnings on beer, wine and liquor advertising.

Only 12.8% said they oppose such warnings.

A significant number—42.2%—favor an outright ban on alcoholic beverage advertising.

Only about half—49%—are opposed to such a ban; the rest said they're not sure.

The nationwide poll was conducted April 5, when Gallup questioned a random sample of 823 adults by phone. The poll has a margin of error of plus or minus 3.5%.

GALLUP SURVEY

Support for health warnings was especially strong among women. Nearly eight in 10 (79.7%) of the 429 women surveyed said they favor them, including 30% who said they "strongly favor" them.

Fewer than 10% of the women said they oppose warnings.

Of the 394 men surveyed, 67% said they favor warnings, including 30% who said they strongly favor them. Sixteen percent expressed opposition.

Asked whether they favor or oppose a ban on all beer, wine and liquor advertising, 48% of the women said yes—including 26% who said they strongly favor the idea.

Among the men, 36% said they favor a ban, including 16% who expressed strong support.

The latest survey results seem to confirm those of an *Ad Age* poll on beer advertising.

(Continued on Page 64)

Industry leaders vow to battle bill

By Steven W. Colford

WASHINGTON—The advertising and alcoholic beverage industries are starting what could be a long, hard fight against moves to impose health warnings on product advertising.

Among other things, they're claiming the legislation would eliminate 15-second spots from the category.

And the category is huge. Total alcohol ad spending in 1989 was $1.04 billion, according to LNA/Arbitron Multi-Media Service, with beer accounting for $677.2 million, spirits $272.2 million, and wine, $90.9 million.

Opponents were roused to action after legislation was introduced April 4 by U.S. Sen. Al Gore (D., Tenn.) and Rep. Joe Kennedy (D., Mass.).

The Gore-Kennedy bill would require every print and broadcast alcohol ad to carry one of five rotated health warnings, ranging from "Surgeon general's warning: Drinking during pregnancy may cause mental retardation and other birth defects. Avoid alcohol during pregnancy" to "Warning: Alcohol may be hazardous if you are using any other drugs, such as over-the-counter, prescription or illicit drugs."

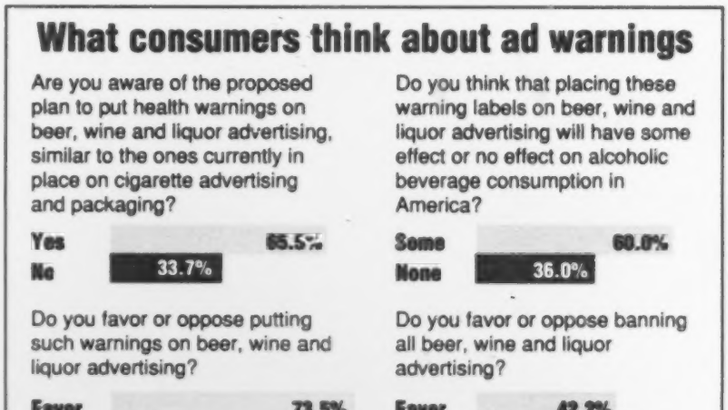
TV spots also would include voice-overs repeating the visual warning.

The biggest impact of the legislation would fall on broadcast advertising, ad and beer industry executives said.

"If you've got a 15-second ad and a 10- or 15-word warning, the only conclusion one

(Continued on Page 64)

What consumers think about ad warnings


Are you aware of the proposed plan to put health warnings on beer, wine and liquor advertising, similar to the ones currently in place on cigarette advertising and packaging?
Yes 65.5%
No 33.7%
Do you think that placing these warning labels on beer, wine and liquor advertising will have some effect or no effect on alcoholic beverage consumption in America?
Some 60.0%
None 36.0%
Do you favor or oppose putting such warnings on beer, wine and liquor advertising?
Favor 73.5%
Oppose 12.8%
Do you favor or oppose banning all beer, wine and liquor advertising?
Favor 42.2%
Oppose 49.0%
Source: The Gallup Organization
Ad Age graphic: Holly Seguine

Leo Burnett USA has created another "critter" character for Kellogg Co.

Kellogg puts $30M on kids

Cereal giant needs Bigg score on presweetened entry

By Julie Liesse

Kellogg Co. is betting $30 million on the kid appeal of an animated character with chicken feet, a wolf snout, moose antlers and a pig's tail.

It's an important bet, because the world's largest cereal marketer desperately needs a new-product hit after four lackluster, but expensive, introductions—including the highly touted Heartwise cereal.

Kellogg is now introducing Bigg Mixx, also the name of the product's spokesman.

Kellogg's first new presweetened cereal in 15 years, Bigg Mixx follows in a tradition of animated characters—Tony the Tiger, Snap, Crackle & Pop, Toucan Sam, and Dig'Em—all the creations of the Kellogg/Leo Burnett USA team.

Billed as "the legendary chicken/wolf/moose/pig of the Yakima Valley," Bigg Mixx will serve as spokesman on boxes and in ads for the new cereal.

The double-entendre of the Bigg Mixx name is found inside the box: flakes made from a mix of corn, oats, rice and wheat, and lightly sweetened with brown sugar and cinnamon.

Bigg Mixx may also be the first "healthy" cereal targeted to children. Kellogg said the product, which in addition to flakes contains whole rolled oats, is the first multigrain cereal developed for children, who account for more than one-third of all ready-to-eat cereal consumption.

"More and more, parents have been buying cereals that *they* like and feel are healthy for their chil-

(Continued on Page 66)

LAST MINUTE NEWS

Heileman, Y&R split

CHICAGO—Young & Rubicam resigned as G. Heileman Brewing Co.'s agency after the brewer announced plans to consolidate its estimated $20 million-plus account at one or two agencies. Y&R cited declining brand support. Heileman had invited its five roster agencies, plus Campbell-Mithun-Esty (agency for Corona beer) and perhaps one or two other non-roster shops, to participate in the review. Y&R had handled Old Style and Special Export beers. Other Heileman agencies are W.B. Doner & Co., Baltimore; Chiat/Day/Mojo, San Francisco; Della Femina, McNamee WCRS, Pittsburgh; and Borders, Perrin & Norrander, Portland, Ore. Bond Corp. Holdings, which bought Heileman in 1987, has had financial troubles and, under an agreement with its banks, in recent months has been paying interest, but not principal, on its acquisition loan. That agreement ends in June. Heileman officials said Friday they will have ad money for this summer and are negotiating with banks to recapitalize the loan.

Coke II ads start

ATLANTA—Coca-Cola Co. breaks TV and radio spots today for Coke II, which just began testing in Spokane, Wash., sources said. Coke II is a relaunch of new Coke with new packaging and new advertising by McCann-Erickson Worldwide, New York. The company

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Healthcare products unit consolidates agency roster.

Banking on shoppers P. 4
Banks battle for business with buyer protection guarantee programs.

Out of balance P. 16
J. Walter Thompson Co. and parent WPP's budget disagreements strain relations.

Infiniti revises ads, snubs nature theme

By Cleveland Horton

Just two months after it began featuring cars in its TV advertising, Nissan Motor Corp. USA's Infiniti division is hastily redesigning its campaign.

Executives at Infiniti agency Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif., planned to work through the past weekend to edit a new effort scheduled to start airing April 15.

Infiniti marketing executives said the new work represents an evolution, rather than an abandonment, of the "car features" campaign that began in February. But there will be some marked differences.

The spots feature a new voice-over replacing the subdued tones of former Hill, Holliday copywriter Bill Heater; they also include music instead of long silences.

Perhaps the biggest change, however, is that they all but shun the previous emphasis on nature to focus on the cars.

"It's just an extension of what we're doing now," said David Hubbard, Infiniti's national advertising manager. "In fact, we're not really calling it a campaign. We're just building some new spots."

The spots replace commercials made up of vignettelike segments interspersing shots of nature scenes and Infiniti models. That effort represented the last Infiniti work created by Don Easdon, then exec VP-creative director. Mr. Easdon returned to the agency's Boston headquarters last month and subsequently resigned (AA, April 2).

Dan Mountain, the newly installed successor to Mr. Easdon, created the new spots *(see story on Page 46)*.

Mr. Easdon's final Infiniti campaign represented a "transition from nature to a more product-specific type of advertising," Mr. Hubbard said. "It's [the new ads] really nothing more than that."

He characterized the new work as "a bit more traditional in terms of beginning to tell a story"; voice-overs now will reinforce the visual element of the commercials.

> **"We know we're facing a tough market. It's turning around a little bit but not as fast as we'd like. It's time for us to roll up our sleeves and go to work."**

Like the campaign it replaces, the new ads will play up the performance qualities of the Q45 sedan and M30 coupe.

The change was prompted by the tightening market for luxury cars and Infiniti's ongoing research, Mr. Hubbard said.

"We know we're facing a tough market," he said. "It's turning around a little bit but not as fast as we'd like. It's time for us to roll up our sleeves and go to work."

Tracking studies indicate general awareness of the Infiniti division ranks so high "it's uncanny," Mr. Hubbard said, but prospective customers' familiarity with the individual models falls below acceptable levels.

The division faced the same disparity earlier this year when it accelerated its move out of the initial image-oriented "nature scenes" launch campaign to the product-specific ad phase.

Despite the changes, sales for the division are picking up. Infiniti reported March sales of 1,549, compared to 1,075 in February and 1,071 in January.

Infiniti's sales performance trails well behind Lexus, Toyota Motor Sales USA's upscale division that began selling cars last September, two months before Infiniti. Lexus in March sold 4,861 cars.

But Infiniti insists direct sales comparisons fail to take into account its corporate goal of customer satisfaction, not volume.

In fact, Nissan lacks the capacity to produce Infiniti cars to match Lexus' projected annual sales volume of 60,000 vehicles. Infiniti steadfastly refuses to announce its sales projections.

Will the division built on "rocks and trees" ever return to a nature-laden image campaign? Perhaps, though that's not likely to happen before the middle of next year.

"I think there's a feeling around here that we all would have liked to have stuck with the nature campaign, to do more with it," Mr. Hubbard said. "But when research comes in and it says you've got tremendous awareness out there but you've got a problem in the sense that nobody knows where your products fit in ... then you've got to adjust to meet that need. That's marketing. That's what it's all about." □

States lose ad round

By Jennifer Lawrence

State officials can't regulate airline ads, a federal appeals court panel has ruled.

The decision last week by a three-judge panel of the 5th U.S. Circuit Court of Appeals in New Orleans is a major setback for the state attorneys general.

Officials in California, Texas and New York said the ruling will probably be appealed to the Supreme Court. A separate but similar case is pending before the 2nd U.S. Circuit Court of Appeals in New York.

In the 5th Circuit case, those three states, Washington and Massachusetts had threatened to sue several airlines, including British Airways, Continental Airlines and Trans World Airlines, for not including certain footnoted surcharges in the prominently displayed advertised fares.

After the threat, the airlines sued Texas, contending the Federal Aviation Act pre-empted state regulation of ads relating to rates, routes and services. A total of 33 other states intervened in the case.

State officials maintain the footnoting practice is deceptive and violates state laws; the U.S. Department of Transportation permits footnoting.

"We believe it is clear ... that Congress intended to retain in the federal government exclusive authority over airline advertising of fares," the three-judge panel said. "It is not as though Congress had left a vacuum that the states needed to fill in order to protect citizens."

The judges concluded that federal law expressly pre-empts "state deceptive-advertising laws as applied to airline fare advertising."

"If you accept this broad a reading of the pre-emptive statute, states can never regulate airline advertising or practices. That's not what Congress meant," said Texas Assistant Attorney General Stephen Gardner.

"We're highly disappointed and don't agree with the court's analysis," said Al Shelden, California supervising deputy attorney general. "We think this kind of ruling presents great problems for a state's abilities to enforce its own deceptive-practices act against companies that operate in more than one state. This decision, if picked up and followed by other courts, could present great problems."

In fact, oral arguments are scheduled April 20 before the 2nd Circuit in a case involving New York state and Pan American World Airways. Pre-emption also is the focus of that case.

The airlines were bolstered by the 5th Circuit ruling.

"The decision of a federal circuit court opining that the federal government has expressly pre-empted anything relating to rates, routes and services is comprehensive and sweeping," said one airline attorney directly involved in the case. "This is the leading opinion on the subject."

"One would expect the federal court's ruling to be instructive" to the state courts, he said. "We're all one country here."

The National Association of Attorneys General in 1987 adopted national airfare ad guidelines. The states contended Reagan administration officials weren't doing enough to protect consumers.

However, "even under the Bush administration, the DOT is uninterested in protecting the rights of traveling consumers and is only interested in toadying to the demands of a relatively few airlines that choose to advertise deceptively," Mr. Gardner said.

State efforts to regulate national advertising in other areas, such as foods, automobiles, car rental services and environmental claims, are not directly affected by the 5th Circuit ruling. □

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Advertising Age

Survey sheds new light on media practices

A hard look at how buyers work, fuel marketing system

Perception: Buyers are loose cannons

Reality: Loose cannons get fired

Media planners are supervised less today than they were five years ago:

• Media sellers	
Agree Absolutely	26.9%
Agree	46.2%
Neutral	15.4%
Disagree	11.5%
Disagree Absolutely	0.0%

We spend more time supervising planners than we did five years ago:

• Media directors	
Agree Absolutely	9.8%
Agree	33.3%
Neutral	27.5%
Disagree	27.5%
Disagree Absolutely	2.0%

Media planners are supervised closely by senior media department executives:

• Media buyers and planners	
Agree Absolutely	17.7%
Agree	38.5%
Neutral	17.7%
Disagree	21.9%
Disagree Absolutely	4.2%

Media plans are rarely revised by senior media executives:

• Media sellers	
Agree Absolutely	0.0%
Agree	30.8%
Neutral	26.9%
Disagree	42.3%
Disagree Absolutely	0.0%

We regularly amend media plans in the review process:

• Media directors	
Agree Absolutely	33.3%
Agree	56.9%
Neutral	2.0%
Disagree	7.8%
Disagree Absolutely	0.0%

Media plans are regularly amended in the review process:

• Media buyers and planners	
Agree Absolutely	35.4%
Agree	42.7%
Neutral	13.5%
Disagree	8.3%
Disagree Absolutely	0.0%

Media planners' primary source of training is on the job:

• Media sellers	
Agree Absolutely	42.3%
Agree	42.3%

'Meddling' in creative more welcome

Increasingly active media groups are creating a new harmony within agency structure

By Gary Levin

CROSSING THE LINE ••••

There's a creative revolution taking root in ad agencies today. The thing is, it isn't necessarily coming from creatives.

More and more creative directors are turning to media departments to make their best ideas work harder.

Important in some cases, media people are even initiating ideas for new campaigns.

"There's an increasing amount of fraternization and discussion with creatives," says Richard Kostyra, exec VP-U.S. director of media services at J. Walter Thompson Co. "The idea is to exploit to the maximum program-type positioning or magazine placement. It's becoming a more competitive market and it's harder to stand out."

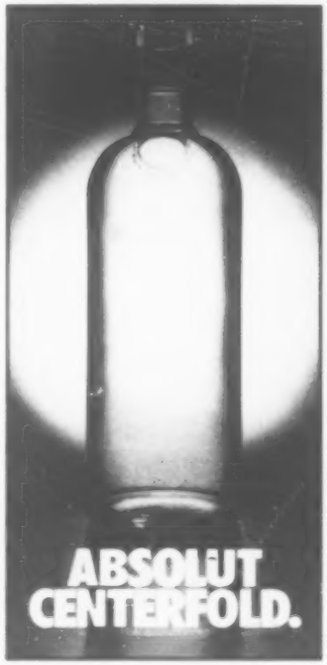
Media planning is no longer an after-the-fact complement to a new campaign.

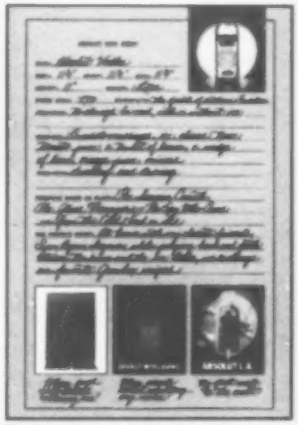
Media executives say they're working more closely than ever with creatives to allow media selection to help shape the creative process, often before a single ad is written. They say account planning and the increasing push for breakthrough advertising are the major forces behind the new harmony.

Single-sponsor magazine issues and "bookend" split-30s wrapped around other TV spots are merely the start of the trend toward media-creative collaboration.

Among the more noteworthy campaigns based on tight media-creative partnerships is the one for Carillon Importers' Absolut vodka.

Carillon and TBWA, its New York agency, meet with a slew of magazines once each year to set big-selling Absolut's annual media schedule, which consists of up to 100 magazines.





For its ad to run in *Playboy*, Carillon Importers ran an "Absolut Centerfold," complete with its ambitions: "To always be cool, with or without ice."

After that process is completed, the agency's creative department is charged with creating several media-specific ads to run, for example, in business publications or theater playbills or *Playboy*. An "Absolut Bravo" ad in playbills has roses adorning the clear bottle, while business magazines trumpet a *Mad*-magazine style "Absolut Merger" foldout.

Sometimes, however, creatives will develop an ad for a magazine not even on the schedule, as was the case with *Playboy*'s "Absolut Centerfold" ad, which portrayed its playmate bottle ("11-inch bust, 11-inch waist and 11-inch hips").

The process doesn't require a major reorientation of TBWA's media department, but it has had an impact on the agency.

"What Carillon has done for us is give us a more open mind and put more demand on all departments to be creative in their ideas than might be the case otherwise," says Richard Costello, TBWA's president and chief operating officer.

Among regional campaigns, DDB Needham Worldwide's work for the New York state lottery pinpointed subway stations, phone kiosks and other media targets—often located near lottery sales agents—and then developed specific ads to run in each along with a more general campaign.

In that series, themed "All you need is a dollar and a dream," real

(Continued on Page S-8)

Survey quirks and conundrums

Advertising Age sent three separate survey forms to a geographically dispersed sample of media representatives, agency media directors and agency media buyers/media planners.

Of the 179 total respondents, 54.2% carry the title of media buyer/media planner, 30.7% are media directors, 15.1% are media representatives such as top executives at multi-media companies, magazines, newspapers, broadcast and cable TV networks or radio companies.

The universe of those carrying the media buyer/media planner title includes a random sample of all U.S. agencies, including both large and small shops.

Although those persons carrying the title of media buyer received the survey because agency media department

media planner moniker was used throughout the survey questionnaire for continuity.

The media director list comprised a geographically-dispersed sample of top executives in media departments at medium to large agencies. The discrepancy in agency sizes may help explain slight inconsistencies in reporting such elements as the number of supervisors overseeing media planning and salary levels.

For example, media buyers/media planners report that their work is reviewed by 1.3 supervisors on average. Media directors, however, report an average of 10 media buyers/planners on their staffs with five reviewing supervisors, leading to an average of two reviewing supervisors per buyer/planner.

from sampled media directors working with larger media departments than responding buyers/planners.

In terms of salary levels, 15.8% of buyers/planners reported their starting salaries were less than $13,000, while no media director reported a starting salary at that level in their department. Current average salaries of media buyers/planners also skewed higher in media directors' reports than those received from buyers/planners.

The total survey sample of 179 is indicative of media department structure and trends, but must be considered too small to statistically represent the entire industry. It is, however, a good barometer of prevailing opinion on the subject of media buying and planning.

Additionally, some charts may not total 100% because of rounding of fig-

(Continued from Page S-4)

Neutral: 7.7%
Disagree: 7.7%
Disagree Absolutely: 0.0%

• Media buyers and planners
Agree Absolutely: 59.4%
Agree: 37.5%
Neutral: 3.1%
Disagree: 0.0%
Disagree Absolutely: 0.0%

• Media directors
Agree Absolutely: 21.6%
Agree: 68.6%
Neutral: 5.9%
Disagree: 3.9%
Disagree Absolutely: 0.0%

(Continued on Page S-12)

Creative

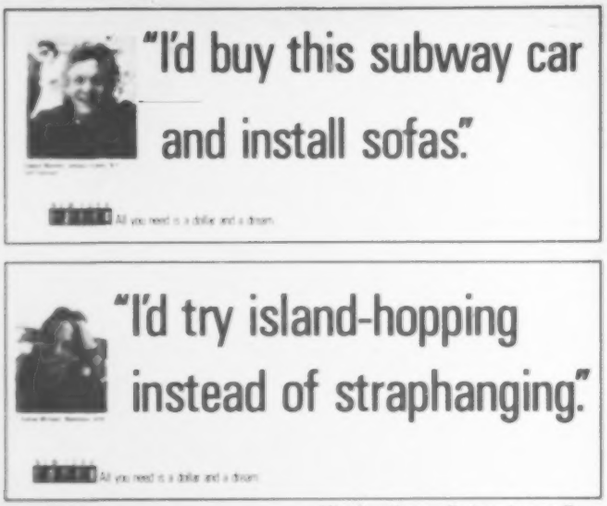
(Continued from Page S-4)

and fictional lottery buyers are asked what they'd do with their potential winnings; one man says he'd "trade in this subway car for a chauffeured limousine."

"We have taken the attitude that we try to identify media apertures before we initiate the creative development," says Peter Tate, exec VP at DDB Needham's New York office.

After developing a list of TV programs appealing to working women, the agency decided what spot TV placements would yield the best response for Campbell Soup Co.'s Mrs. Paul's seafood when the target audience is deciding what to do for dinner.

"We went down and presented


"I'd buy this subway car and install sofas."
All you need is a dollar and a dream.
"I'd try island-hopping instead of straphanging."
All you need is a dollar and a dream.

After locating media targets near New York state lottery agents, DDB Needham tailored media taglines to the place: "I'd try island-hopping instead of straphanging."

the media plan before any creative was written," says Page Thompson, exec VP-media director.

Closer cooperation between creative and media people takes many forms. At some agencies, physical proximity and inclusion in creative strategy sessions gives media people the opportunity to offer constructive suggestions.

"I think because of the way we're situated...where we've got people mixed on every different floor...there's more access," says Patrick Cunningham, exec VP-chief creative officer at N W Ayer.

DDB Needham has created a "personal media network," which aids creative planning by developing a list of choices made by the loyal user of a particular brand before campaigns are developed.

"For every one of our products, we are writing a personal media plan for the core target audience," says Mike White, senior VP-media director at DDB Needham's Chicago office.

Still others use no new-fangled labels or physical structures, but old-fashioned techniques like the telephone.

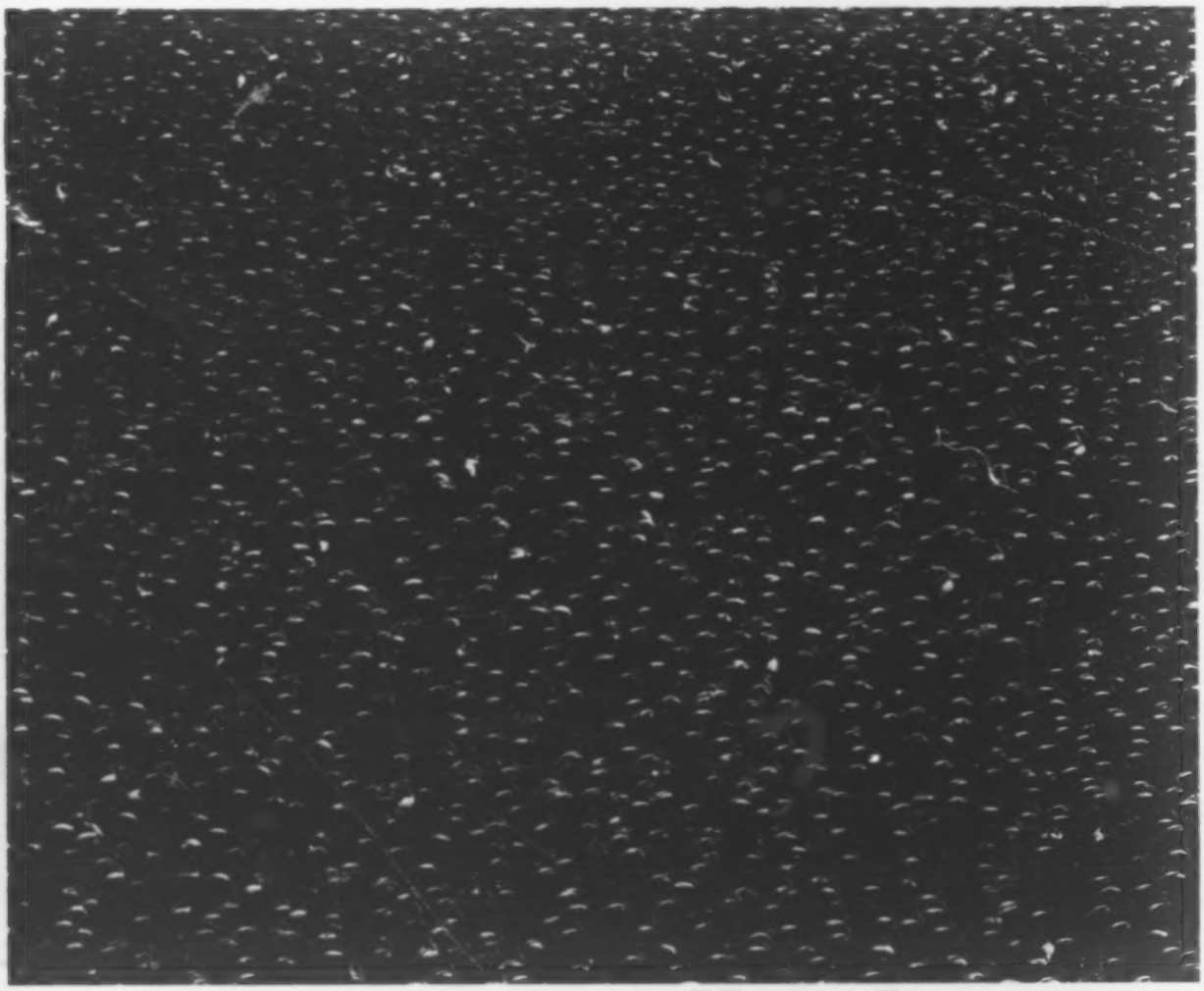
"It effectively requires the media person to call the creative person and say, 'What are you thinking of?'" says Mr. Kostyra. "It often can be done through the account group in terms of [account execs] giving us leads."

Media executives also can help extend the life of a campaign by expanding its reach.

For Colgate-Palmolive Co., FCB/Leber Katz Partners, New York, created a poster showing three identical rowhouses. A spotless house between two dirty ones is captioned, "Ajax was here." The ad, originally used on Actmedia shopping carts, has since been transformed into a TV campaign and more recently, into outdoor and transit advertising.

"Sometimes creatives will have a great idea, and they'll seek the help of the media department to find an avenue [to run] the ad," says Ted Littleford, senior exec VP-executive creative director at the agency.

Still other creatives simply seek complementary media placements for spots they've already created for general usage. "When Wrigley Field turned its lights on for the first time, we arranged to have our nighttime baseball spot for [General Electric] running in the first pod of the first spots," says Phil Dusenberry, ceo of BBDO Worldwide's New York office. □



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Audiences have made Discovery™ the fastest-growing network among the top ten. In fact, they've made us the fastest-growing basic cable network in history for three years in a row.

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*Source: Nielsen Universe Estimates, March 1990.

THE Discovery CHANNEL

Advertising Sales Offices: New York 212 751 2020, Chicago 312 751 4265, Los Angeles 213 284 6896

(Continued from Page S-8)

Does your agency have a formal training program for media planners?

- **Media directors**
  - Yes: 61.8%
  - No: 38.2%
- **Media buyers and planners**
  - Yes: 19.6%
  - No: 80.4%

Here's where media sellers start to show their real opinions about buyers and planners.

Only 11.5% think you're being watched more closely now than your colleagues of five years ago.

But in one of those crazy inconsistencies, most media sellers think your work is revised regularly, a statement both you and your supervisors agree with wholeheartedly.

In fact, 43.1% of your bosses say you are being supervised more closely, and 56.2% of your colleagues say close supervision is a fact of your job life.

Another thing on which all of you agree: Media planning and buying is a learn-as-you-go process, indicating tenure in the job is a big factor in determining your expertise.

Training would help, but only 19.6% of you say you were offered any. However, 80.4% of media directors say they offer training, a response most likely skewed by the large percentage of surveyed directors in big shops.

Perception: The buy can be bought **Reality:** Bite your tongue

It is easy to sway media planners' decisions:

- **Media sellers**
  - Agree Absolutely: 3.9%
  - Agree: 7.7%
  - Neutral: 23.1%
  - Disagree: 65.4%
  - Disagree Absolutely: 0.0%

I agree with claims that media planners are greatly influenced by perquisites:

- **Media sellers**
  - Agree Absolutely: 3.9%
  - Agree: 61.5%
  - Neutral: 26.9%
  - Disagree: 7.7%
  - Disagree Absolutely: 0.0%
- **Media buyers and planners**
  - Agree Absolutely: 4.2%
  - Agree: 14.6%
  - Neutral: 33.3%
  - Disagree: 25.0%
  - Disagree Absolutely: 22.9%
- **Media directors**
  - Agree Absolutely: 3.9%
  - Agree: 2.0%
  - Neutral: 13.7%
  - Disagree: 43.1%
  - Disagree Absolutely: 37.3%

We got your dander up with this question.

In another switch, media sellers say media buyers and planners are not an easy group to sway, yet are greatly influenced by perquisites. In fact, only 7.7% say perks don't play a role in media buying. So you can't be swayed, but you can be bought.

Not so, media buyers and planners insist–at least most of you.

According to the survey, almost one out of five media buyers' and planners' heads can be turned by a cruise on Forbes' Highlander yacht. Yet almost half report perks never enter the picture.

Characteristic of the many comments received on the subject is the following from a media planner at a major Chicago agency: "One of the most misleading perceptions of the media planner is that we are influenced by extra gifts from sales reps. I can personally say that my choices are not influenced by these extras, and I know many who feel the same.

"We're trying to help sell product, and regardless of the courting, if a certain medium does not fit into an advertising plan, we'll choose one that does," she says.

Your boss loves you. Media directors hate this stereotype of the power of the perk. Only 5.9% say perks factor into buying and planning decisions.

Perception: They pick media they like **Reality:** Nah! No way!...Well, maybe TV

Media planners tend to recommend media they personally use:

- **Media sellers**
  - Agree Absolutely: 23.1%
  - Agree: 53.9%
  - Neutral: 15.4%
  - Disagree: 7.7%
  - Disagree Absolutely: 0.0%

(Continued on Page S-17)

Spot TV Power Players

Before any media plan ever makes it to fruition, chances are two to 20 media-philes have given it their 2¢.

For agencies whose media departments comprise hundreds of people from the assistant junior buyer level to senior exec VPs with titles longer than their ABC printouts, those pennies can really add up.

To find out where the buck finally stops, *Advertising Age* went in search of the country's Media Power Players—those executives who plan the strategies or control the budgets on some of the largest media assignments.

We focused on the executives responsible for media budgeting and planning decisions on the top-selling brands and companies as listed by LNA/Arbitron Multi-Media Services. Media spending figures also were culled from these lists.

With numbers in hand, Alicia Lasek and Ken Wylie contacted the brands' parent companies, ad agencies or media buying services to determine just who is ultimately responsible for media budgeting and planning.

Those individuals were chosen *Advertising Age* Media Power Players.

Gerri Donini
senior VP-mgr/broadcast purchasing
Young & Rubicam, New York

Account: Kentucky Fried Chicken.

Spot TV spending: Jan.-Sept. 1989: $35.1 million; Jan.-Sept. 1988: $28.3 million.

On spending increases: "Television budgets will stay flat for 1990, partly because of the economy, and I believe costs will go down. I don't know if they can keep these rates up where they are."

On managing a big budget: "The size of the budget allows for a lot of creativity. We're more able to do special things in sports, like being part of 'Monday Night Football' and the NCAA."

First media job: Started at BBDO Worldwide, New York.

Lisa Wegmann
broadcast supervisor-Los Angeles media buyer
Chiat/Day/Mojo, Venice, Calif.

Account: Nissan Motor Corp. USA, passenger cars and light trucks.

Spot TV spending: Jan.-Sept. 1989: $34.7 million; Jan.-Sept. 1988: $31.8 million.

On managing a big budget: "It does help that I have some clout. L.A.'s always sold out ... it's definitely a seller's market. I can't just go in and say, 'I'm Lisa Wegmann, I want to place some ads.' When we really need a favor for Nissan, they know how much we spend, and they'll give it to us. People say, 'Chiat/Day, we've gotta play.' "

Stuart Shlossman
senior VP-associate director of national broadcast
BBDO Worldwide, New York

Account: PepsiCo's Pepsi-Cola.

Spot TV spending: Jan.-Sept. 1989: $26.7 million; Jan.-Sept. 1988: $29.2 million.

On spending levels: "The size of the soft-drink business has been increasing tremendously, and diet drinks have grown in sales, so the category is very competitive.

"The Coke-Pepsi nature of the business makes it very exciting or very painful if you're on the losing end, which we're not usually as media buyers."

On managing a big budget: "The size of a budget does not have a direct correlation with creativity —but more so with the nature of the account. With Pepsi, the progressiveness of their media department is why they are what they are."

On business trends: "At McCann-Erickson, [where I worked previously,] I had the total budget for the AT&T account. It was exciting during the break-up of the Bell system, but not necessarily innovative. It was simply managing an account that kept getting bigger on a daily basis."

First media job: Assistant media planner at SSC&B, New York.

Claude Cayler
senior director of field marketing and media supervisor
Pizza Hut, Wichita, Kan.

Account: Pizza Hut.

Spot TV spending: Jan.-Sept. 1989: $41.7 million; Jan.-Sept. 1988: $42.8 million.

On managing a big budget: "In previous lives, I've bought for smaller and larger clients, and it depends on the negotiator whether [business is] good or not.

"I look at each spot opportunity that we have as a direct-response opportunity for us."

Al Orlick
senior VP-associate media director
Ogilvy & Mather, New York

Account: Hardee's Food Systems.

Spot TV spending: Jan.-Sept. 1989: $29.3 million; Jan.-Sept. 1988: $30.0 million.

On managing a big budget: "Working with Hardee's is a collaborative effort, and that includes media decisions. We work together on a team premise.

"They encourage us to seek out the innovative. So it's not a question of 'power'—who has the power—but getting the best for the client and how we do that.

"Some companies have no media department, but Hardee's does. They're savvy about media. And the more a client knows about media, the better for us."

First media job: Mr. Orlick entered the advertising business more than 20 years ago at Ogilvy & Mather, where he worked with clients such as Lever Bros., Pepperidge Farm and Hershey chocolate.

Advertising Age Power Players are those people identified as having the responsibility for media budgeting and planning decisions on the top-spending brands in each of the nine media measured by LNA/Arbitron Multi-Media Services. Names were provided by the client or its agency. Interviews were conducted by Alicia Lasek and Ken Wylie.

Note: Some power players appear in more than one category.

Network TV Power Players

Chuck Fruit
VP-corporate media & sports
Anheuser-Busch

Account: Budweiser, Michelob Dry

Network TV spending Jan.-Sept. 1989 vs. Jan.-Sept. 1988: Budweiser—$33.8 million vs. $50.8 million; Michelob Dry (first year)—$31.5 million.

On spending levels: "Any spending increases in 1989 can be attributed to the introduction of Michelob Dry beer. Other than that, spending in '88 and '89 was basically the same, recognizing that '88 was an Olympic year."

On managing a big budget: "Even though Anheuser-Busch has a big ad budget overall, there are still areas we're not so big. But in most sports areas, we are.

"I get a chance to work with so many stations, clubs and networks. I get a broader perspective that allows me to compare one organization with another. Also, an opportunity to work with so many great people in sports media and management."

First media job: "I started in 1970 with Gardner Advertising in St. Louis—just out of college. On my first day, my assignment was a project with Cardinal Baseball Radio Marketing. Twenty years later, I'm still doing the same thing."

Gerri Donini
senior VP-mgr., broadcast purchasing
Young & Rubicam, New York

Account: Kentucky Fried Chicken

Network TV spending: Jan.-Sept. 1989: $48.9 million; Jan.-Sept. 1988: $42.8 million.

On spending increases: "Television budgets will stay flat for 1990, partly because of the economy, and I believe costs will go down. I don't know if they can keep these rates up where they are."

On managing a big budget: "The size of the budget allows for a lot of creativity. We're more able to do special things in sports, like being part of 'Monday Night Football' and the NCAA."

First media job: Started at BBDO Worldwide, New York.

Charlie Rutman
senior VP-corporate media director
Backer Spielvogel Bates Worldwide, New York

Account: Wendy's restaurants, Wendy's International

Network TV spending: Jan.-Sept. 1989: $34.4 million; Jan.-Sept. 1988: $36.7 million.

On spending decreases: "[Wendy's] makes small swings in spending from year to year in variations of syndication and cable with network."

On managing a big budget: "I can't believe that the size of the budget is a decisive factor in being creative, motivated, aggressive, conservative.

"A smaller client can be just as innovative as a big one. So what it comes down to is the question: Is the client willing to seek out opportunities?

"Our clients encourage innovation and risk-taking.

"Money, of course, does open up more choices, adds to our options, giving us more alternatives.

"This is exciting. But I don't find budgets intimidating."

First media job: Started in advertising at McCaffrey & Ratner, New York, in the media and research department.

David Robertson
advertising director-consumer communications services
AT&T Co., Basking Ridge, N.J.

Account: AT&T long-distance business lines.

Network TV spending: Jan.-Sept. 1989: $48.0 million; Jan.-Sept. 1988: $24.3 million.

On spending increases: "AT&T is offering a variety of new products and services, so our goal is to make customers more aware of their options.

"We've put more into television and media in general so the public can make more informed choices. There are more people out there saying more things to customers—there's more information they have to sort through.

"We're trying to help complete a customer's snapshot of the industry."

On industry trends: "The media and the message itself must be in sync. There has to be a sympatico between advertising and programming—you have to be relevant, and that drives you into more particular kinds of vehicles.

"As media becomes de-massified with new syndication in television and different lifestyle publications in print, you may not have the kind of reach you once had."

First media job: At Michael Davis Shipping Co., Los Angeles.

Richard Ross
director of marketing
General Motors Corp.'s Oldsmobile division, Lansing, Mich.

Account: Oldsmobile Cutlass automobiles

Network TV spending: Jan.-Sept. 1989: $30.8 million; Jan.-Sept. 1988: $32.0 million.

Why he buys network TV: "With input from Burnett's media staff, we look at each task, such as a new-product launch, and consider it separately. For mass awareness, we use network TV.

"We want to know what kind of flight levels. We use the calendar to set the time for flights to reach some pretty well-defined targets. The agency media people come back to us with launches for network, cable and syndicated TV. They come up with a plan for dayparts, sport, nightly news."

First advertising job: Started as a clerk in GM's advertising department. □

Advertising Age *Power Players are those people identified as having the responsibility for media budgeting and planning decisions on the top-spending brands in each of the nine media measured by LNA/Arbitron Multi-Media Services. Names were provided by the client or its agency. Interviews were conducted by Alicia Lasek and Ken Wylie.*

(Continued from Page S-12)

• Media buyers and planners
Agree Absolutely: 2.1%
Agree: 10.4%
Neutral: 19.8%
Disagree: 49.0%
Disagree Absolutely: 18.6%

• Media directors
Agree Absolutely: 0.0%
Agree: 7.8%
Neutral: 27.5%
Disagree: 49.0%
Disagree Absolutely: 15.9%

Media planners are more responsive to trend oriented media than senior media executives:

• Media sellers
Agree Absolutely: 23.1%
Agree: 38.5%
Neutral: 23.1%
Disagree: 15.4%
Disagree Absolutely: 0.0%

• Media buyers and planners
Agree Absolutely: 4.2%
Agree: 38.5%
Neutral: 28.1%
Disagree: 26.0%
Disagree Absolutely: 3.1%

• Media directors
Agree Absolutely: 0.0%
Agree: 35.3%
Neutral: 21.6%
Disagree: 37.3%
Disagree Absolutely: 5.9%

Senior media people are very familiar with media recommended by planners:

• Media sellers
Agree Absolutely: 7.7%
Agree: 26.9%
Neutral: 26.9%
Disagree: 26.9%
Disagree Absolutely: 11.5%

• Media buyers and planners
Agree Absolutely: 22.9%
Agree: 46.9%
Neutral: 16.7%
Disagree: 11.5%
Disagree Absolutely: 2.1%

• Media directors
Agree Absolutely: 62.7%
Agree: 31.4%
Neutral: 3.9%
Disagree: 2.0%
Disagree Absolutely: 0.0%

Senior media executives personally watch, read and listen to different media than do planners:

• Media sellers
Agree Absolutely: 19.2%
Agree: 42.3%
Neutral: 15.4%
Disagree: 23.1%
Disagree Absolutely: 0.0%

• Media buyers and planners
Agree Absolutely: 2.1%
Agree: 19.8%
Neutral: 34.4%
Disagree: 31.3%
Disagree Absolutely: 12.5%

• Media directors
Agree Absolutely: 5.9%
Agree: 52.9%
Neutral: 19.6%
Disagree: 19.6%
Disagree Absolutely: 2.0%

OK, so you media planners are supposed to be single-handedly responsible for the growth of trendy new magazine titles, such as *Spy*, and quirky cable programs, and that without your personal bias, these things would never draw an ad dollar.

Don't get huffy now, we're just repeating the perception.

Only 7.7% of media sellers think you recommend media you don't personally use. Yes, that's 7.7%!

And most sellers think you and your supervisors are out of touch in terms of media choices and preferences. Only 15.4% of the sellers feel both you and your supervisors are equally responsive to trend-oriented media, and most think you use different media than your supervisors in your free time. (They do, however, give your bosses credit for being familiar with the media you recommend.)

Like we said, we're just repeating the perception.

(Continued on Page S-22)

(Continued from Page S-17)

Most buyers and planners agree that one perception is reality: 35.3% say you are more responsive to trend-oriented media than your bosses.

However, both you and your supervisors disagree with sellers that you recommend media you personally use and that your bosses are unfamiliar with media you suggest in plans.

In fact, you think you're on a closer wavelength with your supervisors than they do: Only 21.9% of you thought you personally preferred different media than senior media staffers, while 58.8% of media directors say they're reading, listening and watching different media than their staff members.

(Just to make you feel better, you're right and they're wrong. See the presentation of favorite personal media on Page S-22.)

Can we put those perceptions to rest? Ah, not so fast. What about *Spy*? What about tilting toward the tube?

Media planners favor broadcast TV over other media:

- **Media sellers**
  - Yes: 65.4%
  - No: 23.1%
  - Don't know: 11.5%
- **Media planners and buyers**
  - Yes: 31.3%
  - No: 50.0%
  - Don't know: 18.8%
- **Media directors**
  - Yes: 21.6%
  - No: 68.6%
  - Don't know: 9.8%

Media planners favor cable TV over other media:

- **Media sellers**
  - Yes: 15.4%
  - No: 42.3%
  - Don't know: 42.3%
- **Media buyers and planners**
  - Yes: 5.2%
  - No: 75.0%
  - Don't know: 19.8%
- **Media directors**
  - Yes: 5.9%
  - No: 86.3%
  - Don't know: 7.8%

Media planners favor syndicated TV over other media:

- **Media sellers**
  - Yes: 7.7%
  - No: 50.0%
  - Don't know: 42.3%
- **Media buyers and planners**
  - Yes: 3.1%
  - No: 74.0%
  - Don't know: 22.9%
- **Media directors**
  - Yes: 2.0%
  - No: 88.2%
  - Don't know: 9.8%

Media planners favor radio over other media:

- **Media sellers**
  - Yes: 0.0%
  - No: 69.2%
  - Don't know: 30.8%
- **Media buyers and planners**
  - Yes: 18.8%
  - No: 64.6%
  - Don't know: 16.7%
- **Media directors**
  - Yes: 0.0%
  - No: 94.1%
  - Don't know: 5.9%

Media planners favor general-interest magazines over other media:

- **Media sellers**
  - Yes: 30.8%
  - No: 50.0%
  - Don't know: 19.2%
- **Media buyers and planners**
  - Yes: 17.7%
  - No: 63.5%
  - Don't know: 18.8%
- **Media directors**
  - Yes: 5.9%
  - No: 90.2%
  - Don't know: 3.9%

(Continued on Page S-26)

Leisure pursuits

'Time,' 'People' hold their attention

Media buyers and planners earn their salaries by determining what media other people are reading, watching and listening to.

What are they doing when they're away from the office?

Chances are they're reading magazines, watching TV or listening to the radio.

Buyers and planners often are accused of favoring TV shows, magazines and cable networks they personally use. While they *really hate* this stereotype, they should acknowledge the source of the accusations. Often the people selling the magazine or program the planner/buyer has weeded out.

To reach buyers and planners, media sellers might do well by buying an ad in one of their favorite media.

Just what do they like? *Advertising Age's* Media Planning Practices Survey asked media buyers/planners, directors to name the three TV shows, magazines, newspapers, cable networks and radio formats they're most likely to be tuned into when they're out of the office. ☐

Rock 'n' roll is here to stay

Favorite radio formats

Media buyers and planners
1. Album oriented rock
2. Contemporary hit radio
3. Adult contemporary
4. News/information
5. Oldies
6. Classical
7. Classic Rock
8. Easy listening
9. Jazz
10. Country

Media directors
1. News/information
2. Classical
3. Album oriented rock
4. Oldies
5. Classic Rock
6. Adult contemporary
7. Easy listening
8. Contemporary hit radio
9. Jazz
10. Country

Media sellers
1. News/information
2. Easy listening
3. Contemporary hit radio
4. Album oriented rock
5. Sports
6. Urban contemporary
7. Classical
8. Oldies
9. Adult contemporary
10. Jazz

Source: *Advertising Age* Media Planning Practices Survey

Time Inc. rolls

10 favorite magazines

Media buyers and planners
1. *People*
2. *Time*
3. *Sports Illustrated*
4. *Cosmopolitan*
5. *Rolling Stone*
6. *Self*
7. *Life*
8. *Country Living*
9. *Newsweek*
10. *National Geographic*

Media directors
1. *Time*
2. *Sports Illustrated*
3. *People*
4. *Newsweek*
5. *New Yorker*
6. *New York*
7. *Forbes*
8. *Vanity Fair*
9. *Golf Digest*
10. *Smithsonian*

Media sellers
1. *Time*
2. *Sports Illustrated*
3. *People*
4. *Vanity Fair*
5. *Esquire*
6. *Forbes*
7. *New York*
8. *National Geographic*
9. *Conde Nast Traveler*
10. (Nine publications tied)

Source: *Advertising Age* Media Planning Practices Survey

Finding common ground on cable

10 favorite cable services

Media buyers and planners
1. CNN
2. ESPN
3. Arts & Entertainment
4. Home Box Office
5. MTV: Music Television
6. USA Network
7. TNT
8. Lifetime
9. Am. Movie Channel
10. VH-1

Media directors
1. ESPN
2. CNN
3. Arts & Entertainment
4. Home Box Office
5. USA Network
6. The Discovery Channel
7. TNT
8. Am. Movie Channel
9. Showtime
10. SportsChannel

Media sellers
1. ESPN
2. CNN
3. Arts & Entertainment
4. TBS
5. Home Box Office
6. USA Network
7. MTV: Music Television
8. Lifetime
9. Family Channel
10. VH-1

Source: *Advertising Age* Media Planning Practices Survey

Sunday Power Players

(Continued from Page S-19)

On spending increases: "We were the forerunners in the industry in Sunday magazines. Many people have followed suit by looking at Sunday magazines as a viable media."

On managing a big budget: "Having proven our success has made the job easier. When you're doing a program as consistent as ours, there's not a lot of changing schedules and going back and forth. We know a year in advance what we're going to be doing."

Alan Beer
VP-advertising
Franklin Mint, Franklin Center, Pa.

Accounts: Franklin Mint Collections, Porcelain and Jewelry

Sunday magazine spending: Jan.-Sept. 1989 vs. Jan.-Sept. 1988: Franklin Mint Porcelain Collection—$11.8 million vs. $9.7 million; Franklin Mint Collections—$13.6 million vs. $12.2 million; Franklin Mint Jewelry: $4.6 million vs. $3.9 million

Richard Capessela
VP-Video Club advertising
CBS Records/Columbia House, New York

Account: CBS Video Club

Sunday magazine spending: Jan.-Sept. 1989: $4.0 million; Jan.-Sept. 1988: $3.4 million

On buying Sunday magazines: "We've found a medium that hasn't been fully exploited yet.

"The efficiency of the buy is what's been happening for us vs. pre-supplied preprints, for example.

"Sunday magazines allow good penetration into specific markets.

"For 1990, you'll probably see a continued effort and possibly further expansion and more scheduling to our other media efforts.

"We don't like to duplicate our efforts in a certain category."

First media job: "I started with Wunderman Worldwide in 1975, and left in 1983 and started a videogame club.

"The industry skyrocketed and dove quickly. It got us in and out of the business without too many scars." ☐

Advertising Age Power Players are those people identified as having the responsibility for media budgeting and planning decisions on the top-spending brands in each of the nine media measured by LNA/Arbitron Multi-Media Services. Names were provided by the client or its agency. Interviews were conducted by Alicia Lasek and Ken Wylie.

Roles expand in value-added era

By Scott Donaton

It was early 1988, a full year before the term "value-added marketing partnerships" would become part of every media professional's vocabulary.

Bill Murphy, director of Meredith Corp.'s Custom Marketing division, was pitching a group of ad agency media planners on a multimedia package he had designed to help solve clients' marketing problems.

"Their eyes went wide," Mr. Murphy remembers. "They realized it was a great idea. But in the backs of their minds, you could see they were having trouble figuring out how it was going to be executed."

Two years and several such deals later, most agency executives have quite a different reaction.

According to results from *Advertising Age's* Media Planning Practices Survey, adding value to traditional media placements has arrived.

When asked to identify the biggest trends and issues in media buying today, 28.3% of media directors responded with value-added buys. The only subjects to garner more mentions were issues relating to media costs and rate negotiations, which were listed by 50.9% of media directors.

With media companies eager to bundle their various properties for advertisers or put together massive added-value programs, a new species of media director has begun to evolve, one with the mental tools to evaluate and execute complex deals encompassing several marketing disciplines.

"The buying process has changed to the extent that the normal criteria used in the past are being augmented by promotions, merchandising and marketing partnerships and are bringing into play more skills," says Neil Jacobs, VP, Conde Nast Package. "Agencies have to get involved in those areas."

Executives on both the agency and media side are quick to point out that the concept of marketing partnerships is new and virtually unexplored. But they also understand the opportunities presented by such partnerships and the risks involved in not preparing for them.

"It's pretty easy to overstate the volume of mega-deals because they're new and exciting," says Donald Elliman, exec VP-marketing at Time Inc. Magazine Co. "Still, the media department has to adapt to be able to evaluate

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A Hot Tip For Media Buyers

If you're looking to make a cost-effective buy of a top 10 market, here's a hot tip. At the southern tip of Florida is a dynamic ADI that ranks #15 in the nation in population. But...

When you buy South Florida, you're really buying a top 10 market

Nationally, South Florida ranks:
- #1 in gross media revenues
- #1 in automotive dealer sales
- #1 in drug store sales
- #2 in total retail sales per household
- #2 in apparel & accessories store sales
- #3 in furniture/home furnishings/ appliance store sales

The Miami Herald is one of the nation's top 10 newspapers

Every day, The Herald is read by over a million of South Florida's most inquisitive, acquisitive adults. It also boasts primary market penetration second only to one newspaper in the top 10 ADIs.

Reach of Largest Newspapers — Top 10 ADIs and Miami

Market	Coverage Daily	Coverage Sunday	Market	Coverage Daily	Coverage Sunday
Washington D.C.	51%	71%	Los Angeles	29%	40%
Miami	44	53	New York	28	32
Houston	40	52	Philadelphia	27	47
Detroit	40	49	San Francisco	27	37
Boston	33	49	Dallas	27	36
Chicago	33	47			

South Florida is the nation's third largest Hispanic market

But compared to the national average, Hispanics here are better educated, hold better jobs and have higher median incomes. South Florida's one million plus Hispanics have made El Nuevo Herald the largest Spanish-language daily in the continental U.S. Our audited circulation confirms it.

Make The Miami Herald and El Nuevo Herald a vital part of your next media buy. And put a hot tip to work for you.

Sources: National ranking, sales per household data - 1988 Birch/Scarborough Multi-Media Study; Ad Age June 27, 1988; Time Magazine; SRDS, Dec. 12, 1989; Strategy Research, 1989; Verified Audit Circulation, 9/30/89.

THE MIAMI HERALD
EL NUEVO HERALD
The Combination That Sells South Florida

(Continued from Page S-22)

Media planners favor specialty magazines over other media:

- **Media Sellers**
  - Yes: 46.2%
  - No: 34.6%
  - Don't know: 19.2%
- **Media buyers and planners**
  - Yes: 27.1%
  - No: 52.1%
  - Don't know: 20.8%
- **Media directors**
  - Yes: 17.6%
  - No: 76.5%
  - Don't know: 5.9%

Media planners favor newspapers over other media:

- **Media sellers**
  - Yes: 11.5%
  - No: 53.9%
  - Don't know: 34.6%
- **Media buyers and planners**
  - Yes: 8.3%
  - No: 72.9%
  - Don't know: 18.6%
- **Media directors**
  - Yes: 0.0%
  - No: 96.1%
  - Don't know: 3.9%

Media planners favor free standing inserts over other media:

- **Media sellers**
  - Yes: 0.0%
  - No: 65.4%
  - Don't know: 34.6%
- **Media buyers and planners**
  - Yes: 6.3%
  - No: 70.8%
  - Don't know: 22.9%
- **Media directors**
  - Yes: 0.0%
  - No: 94.1%
  - Don't know: 5.9%

Many buyers and planners cried "Foul" over this series of statements, and we have to come clean and agree.

We were expecting to get 100% response of "Don't know" or "No" or even more colorful statements, such as one provided by a buyer at a Seattle shop: "This is stupid. It depends on the objectives of the campaign." In fact, 46.4% of buyers and planners–and 54.7% of media directors–responded with a uniform "No" or "Don't know," which we assume to mean you also found it stupid.

Sure, it's stupid, but look at the number of people who think your media choices are biased. (And because we're talking "perception/reality" here, you should know only two media sellers provided solid "No" or "Don't know" responses.)

A lot of folks–your colleagues included–provided "Yes" answers. And when they said "Yes," it was to broadcast TV and specialty magazines. A bit of that perception may be reality.

While you're envisioning media reps at *Spy* and NBC dialing your number, you also should expect a call from your favorite radio salesperson. Although no media directors or media sellers assumed a favoritism toward radio, 18.8% of you say you lean toward the medium.

(Continued on Page S-32)

(Continued from Page S-26)

Perception: The pay stinks **Reality:** It does

Media planners are underpaid:

- **Media sellers**

Agree Absolutely:	7.7%
Agree:	34.6%
Neutral:	46.2%
Disagree:	11.5%
Disagree Absolutely:	0.0%

What do you estimate is the average starting salary of a media planner?

- **Media sellers**

$13,001-$17,000	38.5%
$17,001-$21,000	34.6%
$21,001-$25,000	23.1%
$25,001-$29,000	3.8%

What was your starting salary range (as a media planner)?

- **Media buyers and planners**

Less than $13,000	15.8%
$13,001-$17,000	35.8%
$17,001-$21,000	36.8%
$21,001-$25,000	7.4%
$25,001-$29,000	3.2%
more than $29,000	1.0%

What is the average starting salary of a media planner in your department?

- **Media directors**

$13,001-$17,000	30.6%
$17,001-$21,000	32.7%
$21,001-$25,000	28.6%
$25,001-$29,000	6.1%
more than $29,000	2.0%

What do you estimate is the average salary of a media planner?

- **Media sellers**

$17,001-$21,000	11.5%
$21,001-$25,000	42.3%
$25,001-$29,000	34.6%
more than $29,000	11.5%

(Continued on Page S-38)

Up before the sun; home before midnight

Expecting a cakewalk? No way for starters

By Julie Whitmore

SALARY SLAVES

Not long after graduating from college in 1987, Melanie Saltzman entered a world of darkness: She became an assistant media buyer.

Living on a salary of under $17,000, Ms. Saltzman commuted from her parents' home in Westport, Conn., where she would catch the 5:59 a.m. train to Manhattan for her entry-level job at Chiat/Day/Mojo and return home about 8:30 p.m. If she skipped lunch, which she often did, Ms. Saltzman scarcely saw the light of day.

Since then Ms. Saltzman has moved up, to Manhattan, where she shares a two-bedroom apartment with two friends. For a while it seemed ideal, but things have gotten a little crowded: Ms. Saltzman sleeps in the living room.

"I don't have a social life," she laments.

Thanks to several raises, Ms. Saltzman will soon move into an apartment with just one roommate, and will find herself living in luxury: She will have her own bedroom and bath.

Like most entry-level media staffers, Ms. Saltzman is still working brutal hours, but that's a fact of the business she is willing to accept.

"You have to get the work done, and that's that," she says.

According to *Advertising Age's* Media Planning Practices Survey, Ms. Saltzman is not alone: 35.8% of media buyers reported starting salaries of $13,001 to $17,000 and 36.8% said they started at $17,000 to $21,000 *(see charts at left)*.

"People have to learn a whole new profession; no one is really prepared for this job," says Larry Cole, exec VP-U.S. media director for Ogilvy & Mather Worldwide, New York.

Starting salaries always have been low in the field, particularly for bachelor's degree-level entrants, because media buying is perceived as being the bottom rung of the ladder, he adds.

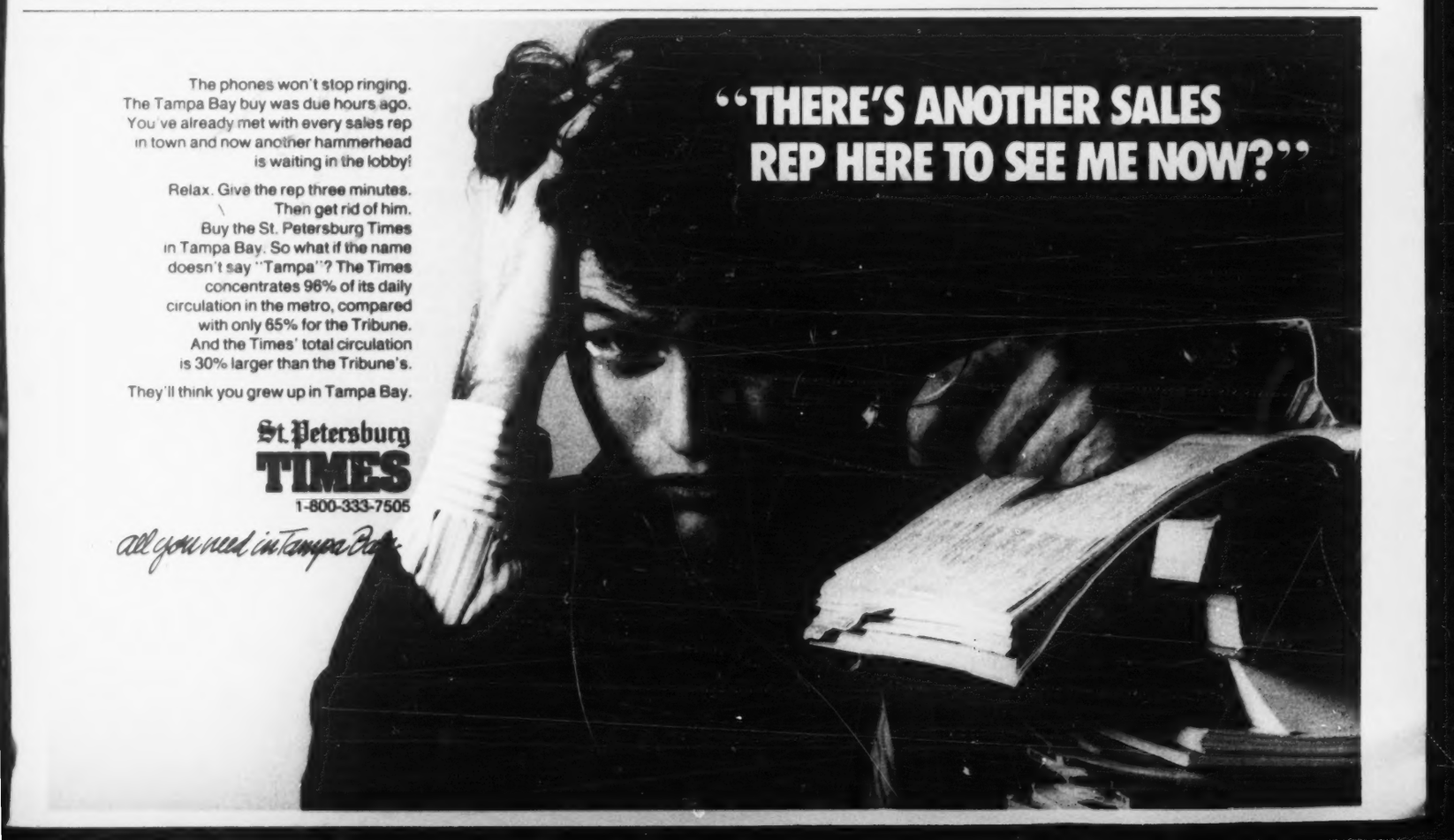
But Mr. Cole says performance is quickly rewarded. The industry standard is generally to consider raises every six months for the first two years.

"There are very few jobs where you can double your starting salary in three years and quadruple it in five," he says.

Martin Block, director of the advertising department at Northwestern University's Medill School of Journalism, blames low starting pay on the advertising industry's "glamor factor."

"The ethic in the industry is to give lots of entrants a chance,

(Continued on Page S-34)



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(Continued from Page S-32)

What is your current salary?

• Media buyers and planners

$13,001-$17,000	3.2%
$17,001-$21,000	28.0%
$21,001-$25,000	19.4%
$25,001-$29,000	26.9%
more than $29,000	22.6%

What is the average salary of a media planner in your department?

• Media directors

$17,001-$21,000	3.9%
$21,001-$25,000	49.0%
$25,001-$29,000	39.2%
more than $29,000	7.8%

Media planners take heart. Those people out there trying to convince you to buy space or time pity your pittance. Only 11.5% of sellers responding to the survey disagreed with the statement that you are underpaid–and they think you make more money than you actually do.

About 73% of media sellers think your starting pay was less than $21,000, although more than 88% say you now earn more than that.

And while 88.4% of you say your starting pay was less than $21,000, 68.9% of you are now earning over that level. So, while the pay does stink, it gets a bit better.

Unless, of course, your bosses have their way: 49% of media directors say the average salary for a media planner in their department is between $21,001 and $25,000.

The salary situation was not lost on most buyers and planners who responded to the survey. The sentiment was best expressed by one of your colleagues in a New York agency: "The money sucks–plain and simple. How can you get the best people and hold on to them when they can go anywhere else and make real money?"

Perception: It's a mediocre, revolving-door job

Reality: It often opens on better media and marketing jobs

What do you estimate is the average tenure of a media planner?

• Media sellers

one year to two years	26.9%
two years to three years	26.9%
three years to four years	26.9%
four years to five years	15.4%
more than five years	3.9%

What is the average tenure of a media planner in your department?

• Media directors

one year to two years	25.5%
two years to three years	33.3%
three years to four years	19.6%
four years to five years	15.7%
more than five years	5.9%

How many years have you held the position of media planner or buyer?

• Media planners and buyers

less than one year	20.7%
one year to two years	33.7%
two years to three years	15.2%
three years to four years	10.8%
four years to five years	18.3%
for the duration of my career	30.1%

(Continued on Page S-40)

Roundtable

(Continued from Page S-36)

media sales person is going to have to change, too. It's not going to be simply selling pages. One publisher told me he has added an entire promotion and marketing staff—which he didn't have before—to deal with some of the new ways agencies and advertisers expect him to participate.

Mr. Knapp: What kind of sales rep would you like to see work with you to develop a client's interest?

Mr. Drexler: I think there will be a blur between media and promotion; there will be more media-oriented promotions. We will look at the client's marketing objectives, media objectives, and try to develop some ideas for pursuing this value-added partnership. We will then call in the various media and suggest that they bring in their promotion people, merchandising people, editorial people and anyone else who might be able to bring something to a larger program.

Mr. Ostrow: A lot of these value-added things represent accountability, which is a tremendous opportunity for the magazine industry to prove that magazines can deliver something tangible, measurable and meaningful.

When you can marry promotion, PR, direct response and all of those things together, you're in a position to do the testing that we've been screaming for years for magazines to do.

Joe Cappo: Publications are setting up merchandising departments. There aren't any merchandising departments as such in ad agencies to deal with the same kind of marketing problems that the clients have.

Jim Guthrie: They were there once. They went away about 15 years ago, when clients didn't give agencies a larger part of the promotion budget. Now, with clients under the same pressure everybody else is, the client's promotion departments have declined as well. It's going back into brand management . . . Phil Guarascio (executive director-advertising and strategic merchandising at General Motors) says he's looking for somebody who can deal with a lot of media and marketing problems at the same time. A Renaissance Man, he calls him.

Michael Drake: We're talking about a share battle here, in many cases. The larger publishing groups have an insider's edge in the way they can discount. And I don't know if agencies are really set up to handle this.

Mr. Ostrow: Time Warner, on one channel in Rochester, N.Y., is going to marry about a half-dozen different things. In companies that have outdoor, magazines, newspapers, broadcast, you've got to have somebody who can put those things together.

Mr. Knapp: We are constantly challenged to come up with our own packages, or make deals with other media, to satisfy your client's program. Do you envision an agency being in a role where they could bring in various media themselves?

Mr. Ostrow: An agency has to take the role of making certain combinations happen.

Doug Goodman

Stretching marketing packages across media will dramatically affect executives such as MPA's Jim Guthrie, FCB's Joseph Ostrow and Cleon T. "Bud" Knapp of Knapp Communications.

Abbott Wool: Years ago, the weaker media started doing this sort of thing. Network radio was building into deals 0.5% for merchandising, and then putting together a contest. They would make your product the prize. Spot radio and Spanish radio would go into stores and get distribution for you. That was real value-added for them. Magazines have been going through years of weakness, page and circulation losses, and now that cable has grown, the networks are starting to do these things.

Mr. Drexler: I think magazines have been closer to the marketing process than perhaps most other media.

Mr. Cole: Local media have understood promotions and local needs because they didn't have inroads to national agencies. They had inroads with local sales people.

Mr. Knapp: We're relatively small, without radio or TV stations, printing presses, etc. And there are probably thousands of magazines that are smaller than my company. How can we compete? When you begin adding services, or direct mail, public relations, whatever, how do you price this?

Mr. Ostrow: The rate card was set by calendar rather than by cost: It's the new year so it's time to put in a price increase. Now, it's "Cut the rate card. Get all the meat off the bone and start cutting into the bone." We don't want to see that happen either. What they have to do is look at value; they don't have to cut into the bone.

Mr. Knapp: It's hard to sell that to the agencies because pricing is always suspect.

Mr. Ostrow: It's suspect because you have so many things that have absolutely no reason for being, like bleed charges. Bite the bullet and increase your rates to accommodate the bleed charges; don't keep that very archaic, suspect and negative perspective of, "I'm charging for something that doesn't cost me any money."

Mr. Cappo: Actually, the economics of broadcasting are less logical than the economics of publishing. We find, with the deterioration in network TV audiences, that TV is selling for premium prices now, higher than ever before, with the biggest upfront ever. That's not logical.

Mr. Link: What it boils down to is that there are fewer gross rating points being generated, and more dollars chasing them.

Mr. Cappo: From the operating end of the business, broadcasting is really not a cost-plus business. Publishing is a cost-plus business.

Mr. Link: That's not true. The margins that broadcasters enjoyed in establishing the marketplace make more of a difference than the margins of other businesses.

Mr. Guthrie: A magazine's identity, what it stands for, is an awfully important point. When they put together packages, how certain can they be that next year you don't try and bid them out for a better price on that package?

Mr. Drexler: It's a little absurd to suggest that the promotion is the dog and the product is the tail. The inherent value of the product is the starting point. That's what you concentrate on. Lose that relationship with your reader, even for a short time, and you're in big trouble.

Mr. Lippman: In some ways, *Architectural Digest* is the quintessential modern magazine. It's beautiful. It's got the right audience. It makes absolutely no demands on its readers of any kind. It's kind of a fantasy book, if you will. It's a very productive, very enjoyable two or three hours a month.

Mr. Drexler: The future, I think, is the personalization of media. All media, including TV, will become more personal in nature, given the proliferation of channels and programmers, and VCRs. Magazines have been certainly one of the most personal media that exist. I think that strength has real value to advertisers.

Mr. Link: And in the '90s, this opportunity to leverage is going to be greater for magazines. Technology is driving everything, including media. Things like selective binding that are available now are going to enhance this personalized power. Broadcasters are going to have a tougher time, I believe, in leveraging technology, at least short term.

Mr. Ostrow: In selling magazines, the magazine industry cannot talk with one voice. Some tell you paid is more important, others tell you unpaid. Some tell you newsstand is the answer; others that subscriptions is the answer.

Mr. Drexler: That's right. There's got to be a common interest to sell the medium, to expound on the values of magazines.

Mr. Cole: You're doomed to fail if you think the right way is to sell against television.

Mr. Guthrie: MPA agrees. We haven't been on one of those kicks in four years. Now we're focusing on the editorial product, the quality of the reader. □

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Network radio Power Players

Larry Spiegel
principal
Richards Group, Dallas

Account: Motel 6
Network radio spending: Jan.-Sept. 1989: $14.6 million; Jan.-Sept. 1988: $9.1 million.
On spending increases: "I see a continued increased use of [radio]. People are learning that there's more than television out there. More and more, results show that radio does work, Motel 6 being a prime example."
On managing a big budget: " 'Dominant player' is New York jargon.
"Understanding media placement is an effectiveness issue. The focus should be on the client's interests, not cost-per-points. Sale and movement of product is what media should be concerned with as compared with those agencies driven by internal financial requirements."
First media job: Trainee at William Esty Co., New York.

Barry Fischer
senior VP-director
of national broadcast
Wells, Rich, Greene, New York

Account: Ford Car Stereo Systems, Ford Motor Co.
Radio spending: Jan.-Sept. 1989: $4.9 million; Jan.-Sept. 1988: $2.3 million.
On managing a big budget: "The size of our budget shouldn't make us feel particularly powerful and shouldn't make us more or less creative.
"With very large budgets, diminishing returns can set in, but we should be able to do our media job well regardless of budget size."
On buying options: "From the media-selection point of view, our job is to be as innovative as we can. Many media buys are necessarily made before the creative. Sometimes we don't even see the creative before we have to do our media job, but we can't let that limit our abilities in media decisions."
How he started: Worked in network media for 15 years prior to joining WRG, where he says he has been "a long time." His first account in advertising was General Electric.

(Continued on Page S-42)

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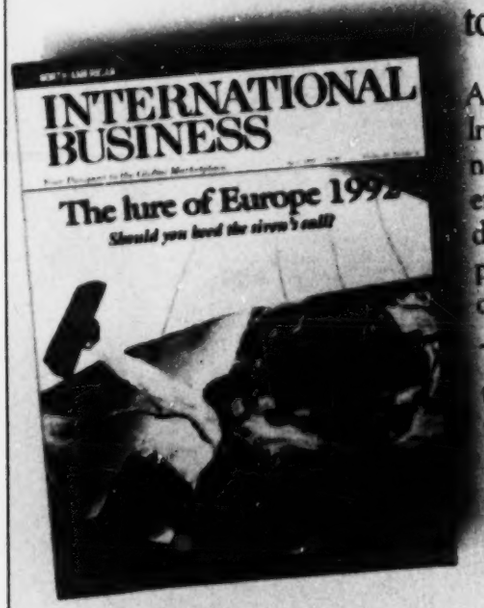

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(Continued from Page S-38)

How long do you intend to remain an agency media professional?

• Media planners and buyers

less than one year	16.1%
one year to two years	15.1%
two years to three year	9.7%
three years to four years	10.8%
four years to five years	18.3%
more than five years	30.1%

If you plan to leave the media department, what occupations are you considering?

• Media planners and buyers

Client company media staff:	36.5%
Media representation:	30.2%
Other:	27.1%
Agency account management:	19.8%
Client company brand management:	18.5%
Agency research:	6.3%
Agency creative department:	5.2%
Free-lance media consulting:	2.1%
Agency production:	2.1%

Note: totals more than 100% because of multiple responses

So, Mr. and Ms. media buyer and planner, you're getting a bad rap for not being in your job long enough to really become an expert for wanting to move on to other things. Try asking your critics how long they wanted to stay in their entry-level jobs.

Almost 70% of you say you've been a buyer or planner for less than three years. But just because you haven't been in the position that long doesn't mean you're just biding your time until something better comes along: 30.1% of you saying you're apt to stay in the agency media business for the duration of your career.

Those of you who plan to leave agency media work are most likely staying in media, but heading to the client side. The next most common response was to jump to the selling side of the table.

Money seems to be the motivator. One planner in a Detroit-area shop asked the following rhetorical question: "Did you know the professionals in the media department are the lowest paid in any agency's structure? I can't wait to become a sales rep."

But those critics who think you're planning and buying media just to put food on the table until Hollywood calls should note only 18.9% of you want to get out of media, advertising and marketing altogether. It certainly appears you are the future of the advertising/marketing industry.

Perception: They have more power than they deserve
Reality: Depends who's talking

Media planners' influence on media placements is greater than their experience warrants:

• Media sellers

Agree Absolutely:	42.3%
Agree:	38.5%
Neutral:	11.5%
Disagree:	7.7%
Disagree Absolutely:	0.0%

I agree with claims that media planners' influence on media placements is greater than their experience warrants:

• Media buyers and planners

Agree Absolutely:	6.3%
Agree:	16.7%
Neutral:	31.3%
Disagree:	42.7%
Disagree Absolutely:	3.1%

• Media directors

Agree Absolutely:	3.9%
Agree:	17.6%
Neutral:	17.6%
Disagree:	49.0%
Disagree Absolutely:	11.8%

Media planners are the most important link in the media buying process:

• Media sellers

Agree Absolutely:	3.9%
Agree:	19.2%
Neutral:	30.8%
Disagree:	42.3%
Disagree Absolutely:	3.9%

(Continued on Page S-42)

Radio Power Players

Lt. Col. Greg McGeckin
chief of Media & Distribution Division, Advertising & Sales Promotion Directorate, U.S. Army

Account: U.S. Army Recruiting Command

Radio spending: Jan.-Sept. 1989: $4.7 million; Jan.-Sept. 1988: $4.6 million

On spending shifts: "We are downsizing our budgets with the reduction in defense spending, and making decisions about media accordingly. The differences in totals spent recently are just a shift in budget."

On why he buys radio: "If we must use TV less, we use radio as the most efficient medium to reach our audience.

"Network radio works well for us. It's a great frequency builder, has a positive effect on reach and with it we're able to get to our primary target audience, men ages 18-24. Radio does deliver the 18-to-24 year olds."

On entering the business: After a tour of duty as a Pentagon public affairs officer, he took a seven-month training session at Ogilvy & Mather, Chicago.

Monica Eargoff
director of advertising
National Live Stock & Meat Board's Beef Industry Council

Account: Beef Industry Council

Radio spending: Jan.-Sept. 1989: $6.3 million; Jan.-Sept. 1988: $3.2 million

On managing a big budget: "I don't think of it as an enormous amount of money to spend, but all the things you can do with it does make the selection process more difficult.

"In this day of more media choices and a more fragmented marketplace it is very difficult to spend your dollars effectively. And the Beef Industry Council is pushing closer to $30 million annually on promotion, now spending in the $25 million-to-$26 million range."

On spending increases: "Network radio spending goes up during the pre-Memorial Day-to-post-Labor Day period because of our summer grilling promotion, especially for chuck cuts."

However, magazine spending will be getting the big push, she says. "There is more opposition to meat in the diet, we realize. We have put more and more dollars into print because the nutrition message is more complex and has to be explained in detail."

First media job: Started in the media department at Bozell, Chicago, followed by a tour at J. Walter Thompson USA, Chicago.

Gary Coppinger
advertising manager
Cotter & Co., Chicago

Account: True Value Hardware Stores

Network radio spending: Jan.-Sept. 1989: $10.7 million; Jan.-Sept. 1988: $12.0 million

On spending decreases: "Our spending is off slightly in network radio because we've shifted some dollars within the radio category, out of the large AM networks and into some newer FM outlets with younger demographics.

"We wanted to do a better job of targeting women 25-35. In both cases we're reaching for the first-time homeowner, prime customers for True Value.

"Also, because we're a dealer-owned co-operative, we're always seeking the broadest means for advertising our growing product line —we need to cover many bases.

"At the same time, we definitely look at all the players in media.

(Continued on Page S-43)

(Continued from Page S-40)

I agree with claims that media planners are the most important link in the media buying process:

- **Media buyers and planners**
  - Agree Absolutely: 28.1%
  - Agree: 39.6%
  - Neutral: 22.9%
  - Disagree: 9.4%
  - Disagree Absolutely: 0.0%
- **Media directors**
  - Agree Absolutely: 11.8%
  - Agree: 21.6%
  - Neutral: 25.5%
  - Disagree: 33.3%
  - Disagree Absolutely: 7.8%

It is easy to establish working relationships with media planners:

- **Media sellers**
  - Agree Absolutely: 0.0%
  - Agree: 42.3%
  - Neutral: 34.6%
  - Disagree: 19.2%
  - Disagree Absolutely: 3.9%

Media planners bear the primary responsibility for tracking and analyzing new media vehicles:

- **Media sellers**
  - Agree Absolutely: 7.7%
  - Agree: 50.0%
  - Neutral: 15.4%
  - Disagree: 23.1%
  - Disagree Absolutely: 3.9%
- **Media buyers and planners**
  - Agree Absolutely: 29.2%
  - Agree: 52.1%
  - Neutral: 14.6%
  - Disagree: 4.2%
  - Disagree Absolutely: 0.0%
- **Media directors**
  - Agree Absolutely: 2.0%
  - Agree: 37.3%
  - Neutral: 17.6%
  - Disagree: 41.2%
  - Disagree Absolutely: 2.0%

It is increasingly difficult for new media vehicles to break into media plans:

- **Media sellers**
  - Agree Absolutely: 26.9%
  - Agree: 42.3%
  - Neutral: 0.0%
  - Disagree: 30.8%
  - Disagree Absolutely: 0.0%

There are too many new media vehicles to adequately track given our current staff levels:

- **Media buyers and planners**
  - Agree Absolutely: 16.7%
  - Agree: 39.6%
  - Neutral: 27.1%
  - Disagree: 15.6%
  - Disagree Absolutely: 1.0%
- **Media directors**
  - Agree Absolutely: 3.9%
  - Agree: 23.5%
  - Neutral: 19.6%
  - Disagree: 41.2%
  - Disagree Absolutely: 11.8%

Let's get right down to it. Media buyers and planners take note: Media sellers think you have too much power; neither you nor your bosses agree. There's a big-time perception/reality gap here.

Almost 81% of sellers surveyed say your influence is greater than your experience warrants. A majority of your supervisors, and most of your colleagues, disagree.

Who's right?

Probably you and your bosses, but not for a reason you're going to like. While media sellers think you have too much power, they think your

(Continued on Page S-46)

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Agencies meet changes head-on

After string of cuts, many see growth ahead

By Laura Loro

Torn by changes brought by merger mania, belt-tightening and the increasingly powerful role of computers in media decisions, media departments at many top agencies have cut staff and restructured their hierarchies.

Media departments, however, were no strangers to change.

"In years past, media people were in the back room, they were technicians and they weren't visible," says Michael Widener, senior VP-media director at AC&R, New York. "Today's media person has to be presentable, intelligent, well spoken."

While most media directors queried by *Advertising Age* say their departments have trimmed back personnel in recent years, many agree their departments will grow rather than shrink as marketing problems increasingly are addressed with solutions based on the media buy.

"Finding today's customer will be the starting point first to tailor the creative," says Page Thompson, exec VP-media director, DDB Needham Worldwide, New York. "Media will even lead the process. In five years you'll see an explosion in media. It is the ideal time to get into it."

Here's how media departments at some U.S. agencies are dealing with industry changes.

Foote, Cone & Belding: Business up, staff down

Business at this Chicago-based agency is heavier than five years ago, but the size of the media department has shrunk.

FCB's media department in Chicago employs 78 staffers, down from 109 five years ago. At the same time, billings have grown about 70.5% since 1985, to $669 million projected for '90.

"We have fewer people working smarter—that's an effect of computerization," says Roger Baron, VP-director of media research.

"Belt tightening is possible because of the computer."

What remains, Mr. Baron says, are staffers who spend more time analyzing, rather than just crunching, numbers. "We can look at over 100 different alternatives in a media plan to select one that is the best. In the past, we looked at five or 10 and more obvious ones. Some of the subtleties were lost," Mr. Baron says.

AC&R, New York: Fewer people, longer hours

Fewer people are doing more work and doing it later each day at AC&R, says Michael Widener, senior VP-media director at the New York agency.

"Our media planners today are working nights—it's almost routine now, whereas that wasn't the case" two years ago, he says, blaming the changes on belt-tightening.

"As billings have increased and as sophistication has increased, departments haven't kept pace. Even if you take inflation, there are so many fewer people per million dollars of billings."

DDB Needham Worldwide: A matter of evolution

Major changes were made in this agency's media department recently, but not because of belt-tightening or mergers, says Page Thompson, exec VP-media director at the New York shop.

Changes in the media landscape, such as fragmentation and clutter, forced Needham to redesign its media unit, he says.

"We are trying to change the whole media process and how it has been done in the last 10 to 20 years," Mr. Thompson says.

(Continued on Page S-48)

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Product Placement in Television and Motion Pictures — 1970 20th YEAR 1990

(Continued from Page S-42)

position is not as powerful as you do. Only 26.8% of media sellers say your slot is the most important link in the media buying process. Compare this with the 67.7% of your fellow buyers/planners–and 33.4% of media directors–who think planner/buyer is the most crucial cog in the wheel.

Where you may command the clout, however, is when a new media property is attempting to have its day in the media department court. Both you and media sellers say the job of evaluating new media vehicles falls on your desk.

Most of your bosses don't agree.

In comments, a few planners and buyers complained about a recurring Catch-22. From one planner at a major New York shop: "Media planners are charged with finding more creative media vehicles and ideas, yet have more and more work to do and therefore don't have the time to really think about new ideas."

Perception: They're just a bunch of number crunchers
Reality: That, and then some

Media planning has become more numbers oriented

• Media sellers	
Agree Absolutely:	34.6%
Agree:	50.0%
Neutral:	7.7%
Disagree:	7.7%
Disagree Absolutely:	0.0%
• Media buyers and planners	
Agree Absolutely:	13.5%
Agree:	40.6%
Neutral:	22.9%
Disagree:	20.8%
Disagree Absolutely:	2.1%
• Media directors	
Agree Absolutely:	5.9%
Agree:	33.3%
Neutral:	13.7%
Disagree:	33.3%
Disagree Absolutely:	13.7%

Media buys have become more content oriented, with program/editorial content affecting buys more than in the past:

• Media sellers	
Agree Absolutely:	23.1%
Agree:	26.9%
Neutral:	11.5%
Disagree:	23.1%
Disagree Absolutely:	15.4%
• Media buyers and planners	
Agree Absolutely:	21.9%
Agree:	57.3%
Neutral:	13.5%
Disagree:	6.3%
Disagree Absolutely:	1.0%
• Media directors	
Agree Absolutely:	15.7%
Agree:	60.8%
Neutral:	11.8%
Disagree:	11.8%
Disagree Absolutely:	0.0%

To be an effective media buyer and planner, you need:
A) A passing knowledge of eighth-grade math
B) A multi-function calculator
C) 10 fingers with which to count.
D) None of the above
E) All of the above

We cheated. The correct answer is both D and E, because the job requires those elements listed and much more.

A rudimentary knowledge of math and an awareness of how to calculate CPMs and GRPs won't do the trick, as buying and planning media becomes more numbers oriented. Media directors were the only group surveyed to say crunching numbers is not more critical, although the opinion was far from unanimous.

In an interesting new twist, media buying and planning also is becoming more content oriented as the program-watching, product-boycotting Terry Rakoltas of this day and age have their say.

The ability to judge media properties on a social/emotional level is becoming just as important as watching the numbers, according to all groups surveyed.

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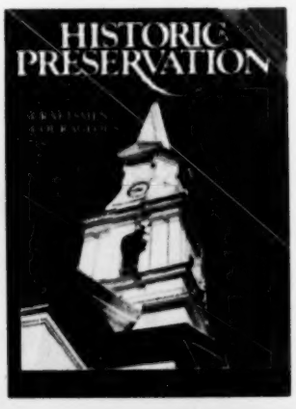

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Alcohol industry to combat ad bill

(Continued from Page 1)

can draw is that this is effectively a ban on 15-second ads," said Stephen Lambright, VP-group executive at Anheuser-Busch. About 5% of A-B's ad volume is made up of 15-second spots.

That argument failed to sway Sen. Gore. When told the proposed 20-word warning within a 15-second spot would leave barely enough time for a brand or corporate name, he replied, "Regardless, they should be accompanied by a statement of risk."

The ad industry is united on one point: The legislation will hurt radio and TV advertising.

Peter Moore, president of the Radio Network Association, said the measure represented "media discrimination" against radio.

"Print is visual, and you can do a fancy disclaimer in the background," he said. "TV could do different things. But in radio, sound is it."

He also said beer and wine ads are absent from most radio formats because a significant portion of their listeners are underage.

Mr. Moore said required disclaimers in ads for auto rebates, financing plans and some airline fares have already driven some advertisers from the medium.

If enacted, the Gore-Kennedy legislation could force alcohol advertising off TV along with radio, said Jim May, VP at the National Association of Broadcasters.

"The real effect of such a labeling system for broadcasters will be to discourage advertising," Mr. May said. "Further, there is no scientific evidence to support the notion that advertising causes alcohol abuse."

Although Sen. Gore said the legislation is aimed at helping the "one in 10 persons who abuse alcohol," John Kamp, VP at the American Association of Advertising Agencies, alleged that alcohol abusers "just may not be the people who watch TV programs with beer ads."

It's government by bumper sticker," said Miller Brewing Co.'s Richard Klemp, director of governmental affairs.

"There is a legitimate issue of drunken driving, but it seems like alcohol is always a scab that can be kicked and picked," he said. "If it is [their] intention to address fetal alcohol syndrome, then we disagree on approach. Miller never uses advertising to recommend pregnant women drink. Advertising has been to get beer drinkers to drink Miller brands."

"It's government by bumper sticker. There is a legitimate issue of drunken driving, but it seems like alcohol is always a scab that can be kicked and picked."

Peter Seremet, VP-public affairs at Heublein, said his company is monitoring the legislation but declined to say whether it would oppose the measure.

However, Mr. Seremet said, health warnings in ads are not "the best way to communicate the potential for abuse of products. We've reached a point where there's a credibility problem; does anyone read them?"

Heublein, marketer of Smirnoff vodka and Jose Cuervo tequila among other brands, previously opposed legislation that took effect Nov. 18, 1989, requiring health warnings on alcoholic beverage containers.

Wally Snyder, exec VP at American Advertising Federation, argued that ads are the wrong place for government warnings.

"We are concerned that this legislation is a clear departure from longstanding federal policy" that a product label is the appropriate spot for warning information, he said.

Association of National Advertisers Exec VP Dan Jaffe also questioned the proposed placement of lengthy warnings on outdoor ads.

"Billboards just can't have a lot of words," he said. "If someone is driving along, it's kind of difficult to read while driving past, or to stop to read."

The proposed advertising restrictions may run into some headwinds as early as next week, when the National Commission Against Drunk Driving may release a summary of its 16-month study.

John Grant, the commission's program director, said the report will make no recommendations to restict or modify alcohol ads. The commission is the non-governmental descendant of the Presidential Commission on Drunk Driving established in 1983 by President Reagan. Its membership ranges from prohibitionist groups to the Beer Institute.

The legislation now goes to committees in both chambers, where it will be scheduled for hearings. But neither Sen. Gore nor Rep. Kennedy could say whether committee hearings would be held this year. □

Contributing to this story: Ira Teinowitz, Wayne Walley and Jon Lafayette.

Survey

(Continued from Page 1)

last year, in which 39% of 1,001 adults questioned said they favor prohibition of beer advertising (AA, June 5).

In last week's survey, slightly more than 54% said warnings would have "some effect" on consumption; another 6% said they would have "great effect."

Thirty-six percent said warnings would have "no effect at all."

Having an "effect" on consumption presumably means reducing it, but the question wasn't specific.

In comparison with other age segments, the youngest people surveyed agree the most with the idea that warnings would affect consumption.

Nearly 70% of 18-to-24-year-olds said the warnings would have an effect, including 12% who said warnings would have great effect.

People 35 to 44 years old are the least likely to agree; 56% of them said warnings would affect consumption.

Overall, 66% of those questioned said they were aware of proposals to attach health warnings to alcoholic beverage advertising.

Christian Roome, a Gallup analyst, said that percentage is probably higher than the true percentage because people typically don't like to admit being unaware of an issue.

Of those surveyed, 38% said they drink alcohol either "frequently" or "occasionally," while 62% said they "rarely" or "never" drink.

Half of the men said they drink frequently or occasionally; 27% of the women responded likewise.

Not surprisingly, support for warnings is highest among those who said they rarely drink (79% in favor) or never drink (76%) and lowest among those who said they drink frequently (64%).

In terms of education, support for warning labels is also lowest (67%) among those with less than 12 years of schooling and highest (82%) among those with "some college" education.

The breakdown by education level isn't consistent, however: A relatively low 68% of those describing themselves as college graduates—or about the same percentage as those with fewer than 12 years of schooling—said they support warning labels.

Those with less education are more likely to favor a ban on alcoholic beverage ads, the survey found. Some 44% of those who said they have fewer than 12 years of schooling said they favor a ban, vs. 36% of those with at least a high school education.

The poll found support for warnings to be generally the same across the country, though slightly higher in the West, where 76% of respondents said they favored warnings vs. 73% in each of the three other geographical areas —East, North Central and South Central.

People who make more money are more likely to oppose an ad ban.

Of those who said they make $75,000 or more a year, 65% said they oppose a ban, compared with fewer than half of those with incomes less than $75,000. □

Anti-smoking bill draws opposition

By Steven W. Colford

WASHINGTON—The attempt by U.S. Sen. Ted Kennedy (D., Mass.) to let states regulate—and even prohibit—tobacco advertising has encountered significant opposition from the senator's colleagues, sources say.

Ad and tobacco groups have criticized the proposal as unconstitutional. The bill also would create a $50 million, government-funded anti-tobacco ad campaign.

Legal scholars argued against the bill, apparently with some effectiveness, at last week's hearing before the Senate Labor & Human Resources Committee chaired by Sen. Kennedy.

After noted First Amendment attorney Floyd Abrams argued that the bill was overly restrictive and probably unconstitutional, Sen. Paul Simon (D., Ill.) asked whether removing the state regulation provision would appease the ad groups and solve constitutional concerns. Mr. Abrams said he thought so, and industry representatives later said they were optimistic their argument would prevail.

Other committee members expressing concern about the same provision were Sens. Christopher Dodd (D., Conn.) and Orrin Hatch (R., Utah), industry officials said.

A Kennedy aide said a vote on the measure could come as early as April 25.

"It's a ban in sheep's clothing," said Association of National Advertisers Exec VP Dan Jaffe.

He said letting states determine tobacco ad regulations would so impair any national marketing effort that marketers would be forced to stop advertising rather than comply with as many as 50 sets of regulations.

Mr. Abrams was joined in opposing the legislation by Morton Halperin, American Civil Liberties Union director, and Burt Neuborne, Columbia University law professor who appeared on behalf of the Freedom to Advertise Coalition. □

Adapt, broadcasters told

By Wayne Walley

ATLANTA—Advertisers are redefining media, and it's up to broadcasters to adjust to the needs of marketers.

That was the message Donald Keough, president of Coca-Cola Co., brought to last week's National Association of Broadcasters convention here.

"More advertisers are looking toward 'non-traditional' media such as cable, videos, theaters, special inserts in magazines and increased presence in places and events with high visibility," Mr. Keough said in his NAB presentation.

"We are looking for media options that are most focused to specific demographics or lifestyle segments of the consumer audience," he said.

In a separate panel discussion at the convention, ceos from ABC, CBS and NBC emphasized that ad revenue alone won't be enough to ensure network TV's ability to offer the best programming.

Robert Wright, NBC's president-ceo, said cable competitors ESPN and Turner Broadcasting System can generate enough money through subscriber fees to pay for their respective $450 million National Football League contracts to telecast Sunday night games.

"Advertising that comes in on those sought-after [Sunday night cable] packages is essentially free profit," Mr. Wright said. "The price on advertising can pretty much be anything when you don't have to cover substantial costs. Meanwhile, ABC, CBS and NBC struggle to get their money back."

Mr. Wright said the Big 3 are near the breaking point.

"We are looking for media options that are most focused to specific demographics or lifestyle segments of the consumer audience."

"We're more and more in an auction marketplace for shows," Mr. Wright said. "More and more, we are going to have to look seriously at passing things up."

A new bone of contention during the convention's panel discussion with the network chiefs was the current four-year limit on contracts between the networks and producers. This limit, the networks argue, invariably leads to massive payments to producers to keep a successful series going.

Citing NBC's recent negotiations to keep "The Cosby Show" —for a reported $2 million per episode license fee—the network leaders likened contract renewals to producers "pointing a gun to our heads."

"We pay the price," said Laurence Tisch, president-ceo of CBS Inc. "We have the worst of all worlds. We are allowed to lose money in the first years of a show and then not allowed to make money when a show does work."

The current system, the networks argue, leaves them at a competitive disadvantage.

"In my opinion, it's an unhealthy business where you put up 80% to 90% of the cost of a new show, get two runs, and then you don't have any [financial] interest," said Thomas Murphy, chairman-ceo, Capital Cities/ABC.

The Big 3 networks announced at the meeting that they'd formed the Network Television Association specifically to express the value of network TV to major advertisers and ad agencies.

"We're going to do everything possible to enhance the value of what we've created," Mr. Wright said.

Peter Chrisanthopoulos was named president-chief operating officer of the new organization. He most recently held the same title at the now-defunct RJR Nabisco Broadcast. □

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Advertising Age

April 16, 1990

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Heileman sets bank deal

Debt restructuring could save No. 5 brewer

By Ira Teinowitz

G. Heileman Brewing Co., the nation's No. 5 brewer, is close to signing an accord with its debt holders that will keep the marketer afloat.

The agreement will enable the company to increase ad and promotional spending, company executives said, though it will be accompanied by cost-cutting measures affecting the brewer's agency compensation and event sponsorship strategies.

Heileman President-CEO Murray S. Cutbush told *Advertising Age* last week the banks have decided their chances for recovering funds are much improved by letting Heileman continue to market beer, rather than by selling off major parts of the company at, perhaps, bargain prices.

Instead of moving to liquidate the financially troubled brewer, several major banks will take an equity position in Heileman, company executives said.

The deal includes a commitment to ad spending, said Ian Crichton, senior exec VP-marketing and sales.

The restructuring of the bank loans "will put Heileman on a viable financial footing to continue into the future."

Heileman intends to pare its agency roster from five shops to one or two, a move that prompted Young & Rubicam, Chicago, to resign earlier this month. Concerns about Heileman's level of future media support were a major factor in Y&R's decision.

Consultants hired by Heileman as part of its bank negotiations recommended renewed marketing spending and the agency consolidation and review, sources said.

The financial pressures on Heileman stem from Australian entrepreneur Alan Bond's 1987 acquisition of the brewery for $1.2 billion. A syndicate of banks, led by the Bank of Boston, the Bank of Nova Scotia and the Pittsburgh National Bank, reportedly hold as much as $800 million in loans for that purchase.

Beer industry sources put Heileman's total worth at $250 million to $350 million.

The banks' earlier agreement to grant

(Continued on Page 66)

LAST MINUTE NEWS

Reebok laces up with Hill Holliday

STOUGHTON, Mass.—Reebok International today will name Hill, Holliday, Connors, Cosmopulos, Boston, to handle its $40 million U.S. athletic-shoe account, formerly at Chiat/Day/-Mojo, New York, sources said.

Reebok began notifying five contenders on Friday of its decision, but Bernadette Mansur, a Reebok spokeswoman, wouldn't confirm or deny the selection. She labeled word of the choice as "speculation."

Ms. Mansur said a single agency would handle Reebok's entire account, interpreted by sources as a sign Reebok's $15 million international account, recently awarded to Chiat, would be pulled in favor of a global campaign.

Hill Holliday lost to Chiat in a 1987 pitch and was considered an early favorite this time (AA, Feb. 5) despite Chiat's re-entry.

The winner's creative presentation and location, and the close relationship between agency President-CEO Jack Connors and Reebok Chairman-CEO Paul Fireman were cited as reasons for the selection.

Hill Holliday has developed a new umbrella positioning campaign for Reebok, as well as a separate spot for the Pump, its inflatable basketball shoe.

Chiat had its share of controversy on the account. A failed "U.B.U." campaign of 1988 was pulled quickly and replaced by another short-lived effort themed "The physics behind the physique." More recently, a spot depicting bungee jumpers wearing Reebok and

(Continued on Page 8)

INSIDE

Nabisco's John Greeniaus talks about life after the KKR buyout. Page 3

Anti-smoke torch flickers

California's ad attack on tobacco marketers draws fire from stations

By Bradley Johnson

California's well-financed and boldly creative attack on the cigarette industry is running into trouble right out of the blocks.

TV stations in the state's top two markets are refusing to run the initial spots, part of what's said to be the biggest anti-smoking effort since the federal government required all broadcasters to run free anti-smoking ads in the late 1960s.

Two Capital Cities/ABC-owned stations, KABC-TV in Los Angeles and KGO-TV in San Francisco, have rejected "Industry Spokesman," the most controversial commercial in the state government's anti-smoking campaign.

The spot portrays cigarette executives as plotting ways to attract new smokers to replace those who've quit or died.

"We felt it was inflammatory," said Georgia Seid-Enseki, KABC director of broadcast standards and practices. "Ash-canning the competition has never been acceptable."

KPIX-TV, the CBS affiliate in San Francisco, has rejected the entire campaign because it wouldn't give in to the state's request for public service time equal to half of what the state bought in paid time.

"I just had a major, major problem with somebody with a cash commitment trying to influence our public service time,"

■ Anti-smoking ad doesn't sit well with Bob Garfield—Page 70.

said Kennen Williams, KPIX general sales manager. "To allow cash to influence our public service programming is not in ours or the viewers' best interest."

Executives at Keye/Donna/Pearlstein, the Los Angeles agency that created the TV and radio campaign for the California Department of Health Services, said they were unaware of any problems getting their spots on the air.

But Chairman Paul Keye—whose agency is known for its "Fried Egg" spot for the Media-Advertising Partnership for a Drug-Free America—seems determined to go from the frying pan into the fire.

"It would break my heart" if the ads had appeared without garnering any attention or controversy, Mr. Keye said. "We're

(Continued on Page 66)

The most controversial spot, set in a board room, portrays a corporate executive saying, "We need more cigarette smokers."

Stock deal unites WRG and BDDP

By Jon Lafayette

J. Boulet

K. Olshan

NEW YORK—Mary Wells Lawrence stepped down as ceo of Wells, Rich, Greene late last week, but not before her agency formed a global "union" with Paris-based BDDP.

Kenneth Olshan, 56, named to succeed the legendary Mrs. Lawrence, 61, as chairman of the board and ceo, said BDDP Holdings has agreed to buy a 40% stake in WRG.

Mr. Olshan and BDDP Holdings Chairman Jean Claude Boulet declined to discuss the purchase price, but industry executives estimated the price of the stake in WRG at $90 million to $100 million.

The management group at WRG, in turn, will get a 30% to 40% stake in BDDP Holdings through stock purchases at an undisclosed price, exchanges of shares and stock options, said Mr. Olshan, who keeps his current title of chairman-ceo at the WRG/Worldwide ad agency.

The deal creates what the principals are calling a worldwide "union" of agencies with billings of $2.2 billion and gives BDDP a long-sought presence in the U.S.

Mr. Boulet will be on the board of WRG; Mr. Olshan will be vice chairman of BDDP Holdings.

Mrs. Lawrence retains the titles of chairman and founder of WRG.

BDDP, founded in 1984, is a well-regarded creative agency with billings of $1.4 billion and revenues of $300 million from advertising, marketing services, corporate communication and human resources. The agency has wholly owned operations in seven European countries, plus a 20% interest in Singapore-based Batey Communications.

Mr. Olshan said the two agencies share Hertz Corp. as a client and that the union will conform to the conflict policies of WRG's clients. WRG works for Procter & Gamble Co., Ford Motor Co. and Sun Co., while BDDP works for Reckitt & Colman, BMW and British Petroleum.

The WRG/BDDP union will be governed by a six-person executive committee that will cross-refer clients, decide conflict policies and share technologies, Mr. Olshan said.

BDDP came close to a merger with Chiat/Day, Venice, Calif., four years ago before that shop became Chiat/Day/Mojo, and last year launched a hostile takeover of Boase Massimi Pollitt, London. Omnicom Group later acquired BMP.

The deal also comes at a key juncture for WRG, which needed to find cash to reduce Mrs. Lawrence's ownership stake.

At the same time, the move allows WRG to gain sorely needed international capability without losing control of its operation.

Although Mrs. Lawrence no longer controls a majority of WRG, she said she remains the largest stockholder among the management group.

In "passing the baton" to Mr. Olshan, Mrs. Lawrence said: "Wells, Rich, Greene is at the stage where it needs a full-time ceo on cite. Ken deserves the opportunity."

She said she will continue to act as "spirit guide and compulsive nagger. They'll never get rid of me."

Mrs. Lawrence will continue to work out of the agency's New York office for four months of the year and work from her various residences the rest of the year.

With only a minority stake in a London shop, WRG is the largest U.S.-only agency at $860 million in billings. Mr. Olshan acknowledged the agency's lack of an international arm has caused frustrations with both current clients and new-business prospects.

Mr. Olshan said joining BDDP was attractive because each of BDDP's agencies "is a strong local entity with experienced, successful, home-grown management." □

Cont'l axes O'Donnell

By Jennifer Lawrence

Continental Airlines last week fired Senior VP-Marketing James O'Donnell, the executive reportedly instrumental in the company's recent selection of Wells, Rich, Greene, New York.

The Texas Air Corp. unit said officially that Mr. O'Donnell "left to pursue other interests," but insiders said his departure wasn't voluntary.

Mr. O'Donnell, a Texas Air marketing veteran of almost two decades, wouldn't comment.

Sources said they were unsure what precipitated Mr. O'Donnell's dismissal, but insiders pointed to friction with John Nelson, Continental exec VP-marketing. Mr. Nelson apparently delivered the news to Mr. O'Donnell April 12 and asked him to leave that same day.

Mr. Nelson was unavailable for comment.

The firing comes just as WRG comes on board to reshape Continental's image. N W Ayer, New York and Houston, was abruptly terminated in late January on the $40 million-to-$50 million account.

WRG was said to be Mr. O'Donnell's choice while Mr. Nelson, at least initially, favored Lintas:New York. Lintas, the finalist in the review, is agency for Eastern Airlines, another Texas Air unit. Mr. Nelson had been a marketing executive at Eastern until 18 months ago.

"WRG will have to win over John Nelson," said an agency source close to the situation.

Three other sources said WRG's winning the Continental account was the "last straw" from Mr. Nelson's point of view.

"Jim flunked the loyalty test for the last time when he said that the agency he wanted was different from what Nelson wanted," said a former airline executive.

WRG late last week said it had learned of Mr. O'Donnell's exit but referred questions to Mr. Nelson.

The two executives were thought of as extreme opposites. Colleagues

"Jim flunked the loyalty test for the last time when he said that the agency he wanted was different from what Nelson wanted."

of both men describe Mr. O'Donnell, 48, as a "brilliant, intuitive, aggressive, flamboyant" marketer and Mr. Nelson, 47, as a "level-headed and brilliant politician."

Mr. O'Donnell had been Texas Air's key marketing architect with direct access to company Chairman Frank Lorenzo.

The men first met in the late 1960s in New York, when Mr. O'Donnell was staff marketing VP for the now-defunct Mohawk Airlines and Mr. Lorenzo was with Jet Capital Corp. In 1972, when Mr. Lorenzo took over Texas International Airlines, he recruited Mr. O'Donnell to serve as marketing VP.

It was Mr. O'Donnell's loyalty and access to the entrepreneurial Mr. Lorenzo that prompted the more bureaucratic Mr. Nelson to fire his marketing subordinate, sources speculated.

They also said they believe Mr. O'Donnell's removal paves the way for a replacement from Eastern. Mr. Nelson is said to have close ties to George Brennan, Eastern's VP-marketing.

Mr. Brennan couldn't be reached for comment.

Eastern faces an uncertain future as it struggles under federal bankruptcy protection. Industry talk has focused on a merger of Eastern into Continental, though Texas Air has denied such a plan.

Industry observers said they expect to see Continental turn to a more traditional marketing approach under Mr. Nelson. In the past, it's often taken a creative approach to selling seats.

Two years ago, a Continental ad campaign urged customers to leave the country April 15 to avoid paying taxes. The effort prompted the Internal Revenue Service to revise its rule that permitted an automatic filing extension for those not in the U.S. on tax return day.

Mr. O'Donnell has been fired by Continental once before—in late 1982, after Stephen M. Wolf was named president-chief operating officer. Mr. O'Donnell at that point was VP-marketing services.

After Mr. Wolf left Continental in 1983, Mr. O'Donnell was named president of Scali, McCabe, Sloves, Houston, then Continental's agency. He returned to Continental as VP-marketing in 1985. □

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THE NORDIC MARKET

Ad Age examines how media, marketers and agencies operate in Denmark, Finland, Norway and Sweden.

Swedish marketers going global

Ikea's success worldwide showed them 'the impossible is possible'

By Seth Chandler

STOCKHOLM—A new generation of Swedish consumer goods companies is following furniture marketer Ikea's lead into the international marketplace.

"I get a lot of inspiration from Ikea, because they have proved that the impossible is possible," said George Kittel, international marketing director for Pogen, Sweden's largest family-owned baking company.

Sweden isn't known as the home of a great many internationally recognized brand names, and some companies choose not to trade on their Swedish culture.

"Big companies like Electrolux don't give a damn about being Swedish or prefer not to be seen as Swedish," Mr. Kittel said.

It's not surprising then that Ikea has become a role model for companies such as Pogen, Ramlosa, Zoegas Kaffe and H&M Hennes & Mauritz.

Since Ikea entered Denmark in 1969, the company has been seeking to attract business outside Sweden. Last year, 72% of the company's $2.7 billion in sales came from the 20 countries outside Scandinavia where Ikea goods are marketed.

Ikea spends about half its estimated $70 million annual marketing budget on 27 different catalogs, produced in-house in 12 languages.

Its first U.S. store opened in Philadelphia in 1985; there are now Ikea stores in Washington, Pittsburgh and Baltimore as well, with stores opening in New York and Burbank, Calif., this year. Deutsch, New York, handles the $7 million U.S. account.

All Ikea stores are painted in the colors of the Swedish flag, blue and yellow, and the company emphasizes its roots by naming new designs after Scandinavian rivers, lakes, trees and towns.

"Ikea is not just selling Swedish furniture; it's selling Swedish lifestyle," Mr. Kittel said.

Pogen, with worldwide sales last year of $270 million, began selling cookies in the U.S. in 1969.

Until this year, its U.S. focus had been on vending machines, where it's become the No. 3 supplier of cookies, said Kathy O'Brien, national sales manager, Pogens Family Bakery, Compton, Calif.

In January, Pogens began rolling out a line of 14 cookies into supermarkets in 11 Western and Midwestern markets; additional expansion, possibly on the East Coast, is planned for 1991, Ms. O'Brien said. She wouldn't disclose sales figures.

Pogens runs newspaper ads with coupons to support the line in the U.S. Advertising and promotions are handled in-house.

Zoegas, a Nestle subsidiary, is also moving West. The premium coffee marketer began selling in the U.S. via a mail-order test last November and offers whole bean and ground varieties of Rut Pa Skaret Rost, Sofiero Palace Rost, and Mollberg's Rost flavors.

Direct mail and ads in *Food & Wine* and *Travel & Leisure* support; Krupp/Taylor, Los Angeles, is the agency.

By yearend, Zoegas will decide whether to expand in the U.S.

"We are a very small company. We have to be careful," said Ann Katrin Bergsten, international marketing director.

Another company aiming for greater international awareness is Ramlosa, the leading Swedish mineral water. Ramlosa is trying to take advantage of Sweden's reputation for purity, health and cleanliness, said Anna Montelius, assistant export manager.

Ramlosa's advertising refers to the brand's Swedish origins, and the logo appears in the original Swedish typography.

BSB Sweden here and ASL/Alliance, London, handle Ramlosa, which spends about $8.3 million annually in advertising worldwide, about half of that contributed by distributors.

At home, Ramlosa holds a 35% share of the $70 million market (at wholesale). Ramlosa also dominates the mineral water market in Denmark and is a major player in Finland, Norway and the Middle East.

In other markets, Ramlosa is focusing on the hotel and restaurant business because of higher margins.

"Our overall concern is the price structure," said Roland Bengtsson, managing director. "No one makes money in the U.S., Canada or the U.K. in the supermarket trade."

Ramlosa has spotty distribution in U.S. supermarkets and delis.

Sales have quadrupled in the past decade to $33 million in 1989, but foreign sales account for less than 25% of the total. The tougher-than-expected going in the U.S. and U.K. has held total exports to $5 million to $6 million.

H&M Hennes & Mauritz has also been expanding its line of popularly priced women's and men's clothing stores beyond Sweden's borders. Although there are no plans to enter the U.S., the company expects to add 25 to 30 more stores this year, for a total of 275 outlets in Europe.

Hennes has stores in Norway, Denmark, the Netherlands, U.K., West Germany and Switzerland.

With worldwide ad spending of an estimated $35 million, the chain aims to project an image of a low-cost marketer of "expendable fashion," mostly casual separates.

"The idea is that you can buy a lot of fashion, change a lot and have fun," said Hugues Goulin, a Hennes project leader in this titleless company.

Colors, sizes and some styles are adapted for each market.

"Scandinavians are very fond of blue. Germans like to flash more with their colors. In England, black is always big. Scandinavians are taller; Swiss are shorter," Mr. Goulin explained. "German men wear a lot more blazers. In Scandinavia, it's more fashionable to wear outdoor jackets, but in England, they wear heavy woolen coats."

Swedish marketers, such as Hennes & Mauritz department store (above) and Ramlosa bottled water, bring the clean look of their ads across the Atlantic.

Unlike the clothing, Hennes advertising has the same distinctive look in every country.

It "is clean, less is more, with nothing to distract," Mr. Goulin said of the white background layouts.

"The focus is on the clothes," he said. All art is produced in Sweden because the minimalist look is "difficult to get right without looking cheap," he said. Hennes works with three Stockholm agencies: Aggerborgs for its adult ads; Rififi for youth advertising; and Mansson & Nord for ads for cosmetics sold in the company's stores and for advertising at two other smaller, domestic clothing chains owned by Hennes.

Although copy and media are handled by small local agencies in each country, there's little room for deviation. Copy typically gives only the name of the product and the price. □

Nielsen/Ad Age Nordic overview

All consumption figures are given in U.S. dollars. In the U.S., total 1989 sales of coffee reached $3.0 billion, $12.43 per capita; tea, $853.9 million, $3.50 per capita; cat food, $1.7 billion, $6.78 per capita; dog food, $1.8 billion, $7.53 per capita, and rice, $136.5 million, $0.56 per capita.

Norway

	1989 consumption (in thousands)	1989 per capita
Rice	$25,626	$5.89
Tea	20,300	4.67
Cat food	28,749	6.61
Dog food	25,821	5.94

Population: 4,349,000 Currency: Krone Conversion: 7.1725

Oslo

Sweden

	1989 consumption (in thousands)	1989 per capita
Coffee	$417,986	$48.62
Rice	18,714	2.18
Tea	36,034	4.19
Cat food	85,807	9.98
Dog food	45,997	5.35

Population: 8,597,000 Currency: Krona Conversion: 6.6743

Stockholm

Finland

	1989 consumption (in thousands)	1989 per capita
Coffee	$298,132	$60.18
Rice	11,493	2.32
Tea	17,876	3.61

Population: 4,954,000 Currency: Markka Conversion: 4.4193

Helsinki

Denmark

	1989 consumption (in thousands)	1989 per capita
Coffee	$166,015	$31.38
Rice	12,603	2.38
Cat food	30,222	5.71
Dog food	30,625	5.79

Population: 5,290,000 Currency: Krone Conversion: 7.6963

Copenhagen

Source: A.C. Nielsen Graphic by John Holland

Haircare lines tout salon connections

By Pat Sloan

Shampoos, conditioners and styling aids increasingly are getting the salon treatment.

Sales of salon-related brands in mass-market stores grew 8% last year. And that $650 million retail segment is attracting new players and inspiring current competitors to introduce new products and increase marketing support.

Growth was even more impressive for salon products sold to consumers in salons. In 1989, these brands, representing close to $1 billion in business, by various industry estimates grew anywhere from 12% to 25%.

Sales of haircare products in food and drugstore outlets totaled $2.7 billion last year.

Top five professional haircare brands

(sold in salons to consumers)

1. Nexxus	$200 million
2. Redken	$140 million
3. Paul Mitchell	$100 million
4. Matrix	$75 million
5. Sebastian	$60 million

Source: Industry estimates

Credibility is the big advantage for salon-related brands, said Cody Dalton, president of Jose Eber Inc.

"What a salon provides that a Finesse can never provide is the individual who has the authority to deliver the message. It's like a salon in a bottle," she said.

Three salon-positioned brands sold at mass market—Eber, Playtex Family Products' La Coupe and Condition by Clairol—this year are slated for advertising and promotional programs valued at $20 million each.

The Eber line is handled by Altschiller Reitzfeld Davis/-Tracy-Locke, New York, while Margeotes Fertitta & Weiss is La Coupe's agency and Laurence, Charles, Free & Lawson handles Condition.

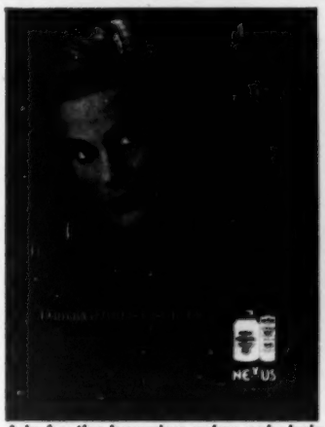
In 1988, Condition received barely $4 million and Eber's measured media support was less than $1 million, reported LNA/Arbitron Multi-Media Service. La Coupe didn't even register on the measured-media charts.

Eber is a joint venture between hair stylist Jose Eber and Meshulam Riklis. La Coupe was created by salon owner Charles Booth in 1983. Both ended up in the mass market, positioning themselves competitively against retail brand names like Procter & Gamble Co.'s Vidal Sassoon, the first stylist to lend his salon authority to a mass-market brand.

Condition by Clairol has little actual salon heritage, though Clairol itself ranks among the leading suppliers of hair color to salons. So Condition brand managers try to reinforce a salon "image" through packaging and formulas. It's much the same tactic Helene Curtis Industries has used with its Salon Selectives line.

Eber has shot for a mass presence because "that's where the volume is," Ms. Dalton said.

Certainly, products can get a faster start in mass outlets than salons. In its first year out more than a decade ago, Sassoon, for instance, reportedly rocketed to $80 million in sales while it took 25 years for the No. 2 salon brand, Redken, to hit $100 million. But building that kind of volume in the mass market can be risky and expensive, and longevity isn't guaranteed.



Ads for the booming salon-only haircare segment, which includes Nexxus (l.) and Mastey, bank on the implicit endorsement salons give them.

As a result, some marketers are sticking to salons.

For example, former Minnetonka CEO Robert Taylor now is chairman of Graham Webb International, named for the British stylist and salon owner.

While at Minnetonka, Mr. Taylor built brands like Check-Up toothpaste and Calvin Klein's Obsession fragrance.

He said he sees haircare products sold to consumers through salons as a wide-open category because there are only "five dominant players, all non-public and all owned by entrepreneurs."

According to industry estimates, the top five are: Nexxus Products Corp. with $200 million in sales; Redken Laboratories with $140 million; Paul Mitchell, $100 million; Matrix, $75 million; and Sebastian, $60 million.

Mr. Taylor said part of the formula for a successful salon line is hooking up with an established name.

Mr. Webb, who's served as a spokesman for other salon lines in the U.S. and who in June will go to the Soviet Union to create a *perestroika* hair design, fits that bill, Mr. Taylor said.

Traditionally, salon lines haven't been advertised much because salons looked askance at consumer marketing.

"Consumer advertising, they felt, created a demand for diversion," the practice of independent companies using fraudulent methods to get products and reselling them to retailers, said Harris Shepard, ad manager for Mastey, a marketer of salon products.

But as salons have realized that advertising also helps them reach consumers, it has become more acceptable, said Mr. Shepard, whose company will use spot TV on a national basis for the first time this year. Ads are handled in-house.

Graham Webb uses upscale displays, videos and sampling for its new line. A regional $1.5 million campaign, handled in-house, breaks this month.

While most salon lines are handled in-house, Nexxus uses RAO Associates, Los Angeles. Among salon lines, Nexxus spends the most on advertising, more than $17 million in 1989.

This year marks the first time that Nexxus is using prime-time TV rather than just spot TV and print. □

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HISTORY...

Kids cologne line broadens

By Marcy Magiera

Kids William & Clarissa this month is introducing what it says is the most extensive line of personal-care products for children.

The extensive Kids line, now shipping to drugstores, supermarkets and mass merchandisers nationally, includes shampoo, conditioner, bubble bath, lotion, oil and colognes for boys and girls, plus powder, lip balm, liquid soap, bar soap and sunblock for infants and children to age 12.

In going up against Johnson & Johnson Baby Products Co. and other established product marketers, Kids William & Clarissa will be under the wing of President Mary George, 39, who is no stranger to creating new niches in the personal-care market.

As VP-marketing and, later, president-chief operating officer of VLI Corp., Ms. George guided the marketing campaign that made the Today sponge the No. 1 over-the-counter female contraceptive.

She joined Kids William & Clarissa last year after working as a marketing consultant.

Ms. George said that marketing the Kids line is similar to marketing the contraceptive, "in the sense that you're going into the same retail outlets and . . . you're marketing to women." The only difference is that VLI's customer was the "modern, upcoming woman," she said, while the woman who will buy Kids is "a little more upscale, more highly educated."

Print and direct-mail ads will appeal to affluent parents and grandparents by telling them the Kids products "come from people who are parents before they are manufacturers," she said.

Kids William & Clarissa, in fact, is named after the children of Chairman-CEO William A. Meyer.

The estimated $8 million ad campaign will start in May, when the company will send a direct-mail piece with a $1 coupon to 30 million mothers with children under 12. Print ads will break in June issues of women's and parenting magazines.

Ketchum Advertising, Los Angeles, handles.

The concept for the line was born in 1988, when the company began selling colognes for boys and girls in department stores in San Francisco and New York.

Last year, Mr. Meyer approached Ms. George with the idea of expanding the colognes into a complete line of toiletries for children.

"I knew the concept was fantastic, but I knew we could do much better at mass market," she said.

Kids William & Clarissa estimates the market for children's personal-care products to be about $350 million. □

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